

D-8187

SHANGHAI MUNICIPAL POLICE.

File No.

S.5, Special Branch *Siddh*

REPORT

Date December 14, 1937.

Subject *"Shun Pao" Suspends Publication.*

Made by *C.A. Loh Sih Kya*

Forwarded by *Siddh*

The "Shun Pao" (申報), the oldest leading Chinese daily newspaper, with its office at No. 309 Hankow Road, has decided to suspend publication as from December 15 in opposition to an order issued on December 13 by the Japanese authorities directing it to send to the Shanghai Newspaper Censorship Bureau in Hardoon Building for censorship proofs in duplicate of all news items prior to publication.

Dr. Ma Ying-liang (馬蔭良), the Manager of the paper, returned to Shanghai last week from Hongkong where he had consulted Mr. Sze Yung-keng (史詠庚), the proprietor, over the question of the suspension of publication should the Japanese authorities demand the censorship of all news items beforehand.

At a meeting which was held on the morning of December 14 by the management with the senior members of the staff, it was resolved that during the period of suspension half pay (not less than \$30 per mensem) will be issued to each of the employees of the paper.

The management of the "Sin Wan Pao" and the "Eastern Times" (時報) have not come to any decision as to whether or not they should comply with the order of the Newspaper Censorship Bureau.

Loh Sih Kya
Clerical Assistant

D. C. (Special Branch)

18-76

TWO CHINESE PAPERS TO CLOSE UP

It was reliably learned last night that the "Shun Pao," the oldest and biggest Chinese paper and the "Ta Kung Pao," which recently moved from Tientsin to Shanghai and Hankow, will cease publication as from to-morrow.

The "Sin Wan Pao's" position was said to be obscure. All the three big Chinese newspapers were reported to have received notifications from the Japanese military requiring that their news be censored as from December 16.

The "Shun Pao" was started in 1872. The "Ta Kung Pao" moved to Shanghai from Tientsin before the present Sino-Japanese conflict started and recently started the publication of another edition in Hankow.

10/12

THREE CHINESE PAPERS SUSPEND PUBLICATION TO AVOID CENSORSHIP

Two leading local Chinese newspapers, the Shun Pao and the Ta Kung Pao, have decided to suspend publication following an announcement that the Japanese-controlled "Shanghai News Censorship Office" will start operations beginning today.

Editors of the Sin Wan Pao were still closeted in a meeting at an early hour this morning to decide whether or not their paper will be published today. It was indicated, however, that the Sin Wan Pao will most likely follow the two other leading Chinese dailies and suspend publications from today.

The Ta Kung Pao, which is now publishing a Hankow edition following the suspension of its Tientsin papers, will cease publication here this morning. The Shun Pao, according to reports last night, will also suspend today, but no formal announcement has yet been made to that effect.

With the closure of the three journals, the Shanghai Chinese public will only have three Chinese dailies. There are the Eastern Times, the Hwa Mei Wan Pao and the Ta Mei Wan Pao. It is believed that the papers will adhere to the censorship regulations.

According to a circular sent to some 12 Chinese papers, the publishers are asked to send two sets of their galley proofs for censor-

ship. The papers were also instructed not to publish any news which tends to jeopardize "peace maintenance associations" which are now in existence or those which are being organized.

Preparations were made some time ago by the publishers of the Shun Pao to start publication of a Hankow edition. A printing plant has been set up in the Wahan city and publication may be started immediately. It was not known last night, however, whether the Hankow edition of the Shun Pao will be undertaken by the publishers immediately. The Shun Pao is the oldest paper in China, being started in 1872.

The farewell editorial of the Ta Kung Pao was published yesterday in which the Chinese residents here were urged to remember their position in the "Isolated Island" surrounded by a Japanese army in occupation. The readers are asked "not to lose the soul of a Chinese."

CS
1/2

Chinese Newspapers Steadily Closing Shop In Shanghai

Shanghai is no more the centre of the Chinese newspaper business, as only two big Chinese newspapers are continuing publication. Most of the famous Chinese "mosquito" papers have ceased publication. While Hongkong is being gradually transformed into the Chinese "Hollywood," Hankow is rapidly becoming the centre of Chinese news dissemination, at least for the time being.

Owing to the tightening of censorship several Chinese newspapers of high repute, including "The China Times," were closed "voluntarily" and now the "Shun Pao," the biggest and oldest Chinese newspaper and "The Ta Kung Pao" will no more reach their readers as from to-day, at least "temporarily" to quote the words of their own editors. Only "The Sin Wan Pao"

and "The Eastern Times" are left.

As to the mosquito sheets the story is more pathetic, if the original number of them is counted. During the golden age of the mosquito papers, which enjoyed big circulation among the populace and even high officials, whose secret stories they often told, there were more than 100 such small papers with movable head offices...movable because they feared that they might be closed at any time during the warlord days. But now the number is reduced to four.

Chinese mosquito papers have a history of about 40 years paying particular attention to sidelights of news, anecdotes, secret information and sometimes big scandals. In recent years, however, they were improved a great deal, publishing headline news items.

TWO MORE CHINESE PAPERS CLOSE

"Shun Pao" and "Ta Kung Pao" Suspend Work

Two more Chinese newspapers, the "Shun Pao" and the "Ta Kung Pao," will have their last edition today, the managements of the two dailies having decided to close their doors to-morrow.

Both the two papers were reported last night to have received communications from the Japanese censors, asking them to submit proofs for their perusal before publication and that publicity should be given to the so-called "Ta Tao (Great Way) City Government" and other organizations. These latter bodies should in no way be ridiculed.

As the contemplated action will be taken by the Japanese censors beginning to-night, the two papers decided to suspend work early this morning.

Similar notices are understood to have been sent to the two other Chinese dailies, the "Sin Wen Pao" and the "Eastern Times". The attitude of these two papers could not be ascertained last night.

AGITATION CURBED IN SETTLEMENT

Japanese Newspaper Shows Waning Anti-Japonism

Paying an unintentional compliment to the Shanghai Municipal Police, the local Japanese newspaper, the "Shanghai United News," which has recently been to the fore in criticizing the activities of the International Settlement authorities, yesterday stated that anti-Japanese activities have "waned remarkably" in the International Settlement.

Anti-Japanese newspapers, magazines, and other periodicals have almost disappeared from the Settlement, the paper said.

The Central News Agency was closed at the end of November; this was followed by suspension of the "Shih-Shih Jihpao," the "Lipao" and the "Minpao," leading Chinese dailies.

Headquarters of the "Chiumao Jihpao," organ of the popular front, were moved to Hankow after publication in Shanghai was discontinued. The headquarters of the "World Knowledge" also were closed.

The "United News" named eight anti-Japanese magazines which were closed by the Shanghai Municipal Police.

In addition, 14 anti-Japanese societies, including the Shanghai Cultural Salvation Association, were suppressed the paper pointed out.

Strict pressure has been exerted on various anti-Japanese elements by the Shanghai Municipal Police, in compliance with requests made by Japanese authorities, the journal declared.

SHANGHAI MUNICIPAL POLICE.

File No.

S. 5, Special Branch, ~~XXXXX~~ 8187A

REPORT

Date Dec. 14, 1937.

Subject "Ta Kung Pao" Suspends Publication.

Made by C.A. Loh Sih-kya.

Forwarded by

with reference to the remarks of P.A. to D.C.

(Special Branch) on the attached translation of the leading article published by the "Ta Kung Pao" (大公報 "L'Impartial"), No. 181 Avenue Edward VII, French Concession, on December 14 relative to its suspension of publication in Shanghai as from December 15, enquiries made by the undersigned show that on December 13 the "Ta Kung Pao," the "Shun Pao" (申報), the "Sin Wan Pao" (新聞報), and the "Eastern Times" (時報) as well as all the evening papers and mosquito papers received the following circular letter from the Shanghai Newspaper Censorship Bureau which was recently formed by the Japanese authorities with an office in Room No. 218 of the Hardoon Building, No. 233 Nanking Road :-

CP
MB
13 DEC 1937
"Notice is hereby given that this Bureau has decided to censor proofs of all news items to be published by newspapers as from December 15. No news items will be permitted for publication by newspapers unless they have been censored and approval for publication is given beforehand. In consequence of this, you are required to send to this Bureau for censorship proofs in duplicates of all news items to be published by your paper."

The management of the "Ta Kung Pao" thereupon decided to suspend publication in accordance with its original decision which was reached at a meeting held after the withdrawal of the Chinese forces from Shanghai and vicinity.

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1937
Despite repeated requests from the Japanese authorities, the "Ta Kung Pao" refused to send gratis two copies of each

SHANGHAI MUNICIPAL POLICE.

File No.

REPORT

Station,

Date 19

- 2 -

Subject

Made by Forwarded by

issue to the Shanghai Newspaper Censorship Bureau.

The "Ta Kung Pao" is published by a limited concern with a capital of \$500,000. Mr. Hu Cheng-ts (胡政之), the publisher, and Mr. Chang Chi-luan (張季璽), the Chief Editor, as well as Mr. Wu Ting-chang (吳鼎昌), ex-Minister of Industry and now Chairman of the Kweichow Provincial Government, and General Wu Teh-chen (吳鐵城), Chairman of the Kwangtung Provincial Government, are the principal shareholders.

This paper was originally published in Tientsin and is very popular with Chinese readers. After the fall of Tientsin, the paper was removed to Hankow although the Japanese authorities had endeavoured to persuade Mr. Hu Cheng-ts and Mr. Chang Chi-luan, who are on friendly terms with Mr. Kawagoe, Japanese Ambassador to China, to continue publication in Tientsin.

Loh Sih Kya
Clerical Assistant.

D.C. (Special Branch).

Ta Kung Pao (Editorial) :-

Farewell to Our Readers in Shanghai

China is entering a critical stage of her existence. Our country is prepared to make any sacrifice for its existence.

In North China, our paper had a history of more than 30 years. We began publication in Shanghai in April, 1936. Our paper in Tientsin suspended publication following the fall of the city. To-day our paper in Shanghai has to say farewell to its readers.

The national troops withdrew from Shanghai on November 12, leaving two courses for newspapermen: to suspend publication following the withdrawal of the national troops or to continue publication for the convenience of our 3,000,000 Shanghai brethren under embarrassing conditions. But we have a very high principle: we are citizens of China and we shall never surrender nor can we tolerate insults.

Shanghai became isolated after the evacuation of the national troops, but we have continued our duty for over 30 days to encourage our brethren in their determination to carry on the war of resistance. The special influence in Shanghai has been expanding day by day and the lives and property of Chinese people in the Foreign Settlements have been subjected to repeated interference. Chinese newspapers cannot exist under such an influence.

In the beginning the Chinese Newspaper Censorship Bureau was taken over and a Newspaper Censorship Organ was established by the special influence. Later, this organ requested us to send our newspapers to it, but we ignored the request. On December 13, a "notice" was sent to us by this organ stating: "Beginning from December 15, proofs must be sent for censorship and no news will be allowed to be published unless it has been censored. Proofs in duplicate must be submitted".

We cannot subject ourselves to foreign interference. Neither we nor our paper can tolerate insults. Under the circumstances, yesterday's "notice" decided us to say farewell to our Shanghai readers.

This farewell is only temporary. Certainly we shall meet again in brighter times. During the suspension of our paper in Shanghai, our paper in Hankow will continue to appear.

We Chinese newspapermen have full confidence that a brilliant future is before our country which possesses a population of 450,000,000 souls and a history extending for over 5,000 years. Our country can never be annihilated. The Sino-Japanese conflict in East Asia will be a long struggle; the military developments now going on will not decide this conflict.

For the time being, we have no desire to say anything about Japan. We earnestly request our brethren always to remember that we must not be timid but continue to fight bravely. We are convinced that this national crisis can be weathered. We must be far-sighted.

Shanghai is now isolated and the Chinese people must not work for the enemy.

"TA KUNG PAO" AND "SHUN PAO" CLOSE DOWN

The "Shun Pao" and the "Ta Kung Pao," two of the leading local Chinese newspapers, closed down indefinitely last night rather than accede to a request from the Japanese censors for proofs before the papers were published and for publicity for the so-called "Great Way City Government" and other organizations, which were not to be ridiculed. The directors of the "Sin Wen Pao" are to meet today to consider the matter.

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SHANGHAI MUNICIPAL POLICE.

File No.

S. 5, Special Branch, ~~S. 5, Special Branch~~,

REPORT

Date Dec. 6, 1937.

Subject Chinese Newspapers and periodicals.

Made by C.A. Loh Sih-kya.

Forwarded by *[Signature]*

With reference to the three queries of D. C. (Special Branch) on the attached report, all the leading Chinese daily newspapers, evening papers, mosquito papers, magazines, etc., contained in the attached list are registered with the S.M.C.

All the papers and magazines in the attached list which are marked with a red cross have either ceased publication or removed from Shanghai. Close observation has been kept by the staff of Section 5 on all publications since the withdrawal of the Chinese forces from Shanghai and none of them can be said to be depending on anti-Japanese agitation for their existence. At the present time, no paper would dare to exhibit anti-Japanese tendencies in too marked a manner.

The publishers of the "Ta Mei Wan Pao" (大美晚报) and the "Hwa Mei Wan Pao" (華美晚报) and their respective morning editions appear to be endeavouring to make their Chinese readers believe that their publications are not affected by the situation in Shanghai on the ground that they are American concerns.

D. C. (Special Branch).

Loh Sih Kya
Clerical Assistant.

Shall we go ahead with registration of publications, magazines etc which have been applied?

-6 DEC. 1937

[Signature]
DEPUTY COMMISSIONER
(SPECIAL BRANCH)

*SS
In a meeting
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*X Yes but without any threats direct
or implied that they will be closed if
they fail to register
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*Please attach
following
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SHANGHAI MUNICIPAL POLICE.

File No....

S. 5, Special branch, ~~Sta~~xx,

REPORT

Date NOV. 24, 1937.

Subject Chinese Newspapers and Periodicals.

Made by C.A. Lon Sin-kya

Forwarded by

A list of the Chinese newspapers and periodicals that are still being published in this locality is attached.

About 30 mosquito papers, magazines, periodicals, pictorials, etc., have either suspended publication or removed from Shanghai.

During the past few months anti-Japanese articles have been appearing in all Chinese publications. The following newspapers have been warned for publishing false reports or allegations against the Police since August 13, the day on which local hostilities broke out, but not for publishing anti-Japanese articles :-

"Sin Wan Pao," "Shun Pao," "Eastern Times,"

"National Herald," "Ta Kung Pao," "China Times,"

"Central China Daily News," "China Evening News,"

"Hwa Mei Wan Pao" and "Social Evening News."

Loh Sih Kya
Clerical Assistant.

D.C. (Special branch).

Are all now registered?
Can any of the attached be
considered Anti-Japanese as
a reason for restriction?
Have any shown anti-Japanese
tendencies more than others?

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NEWSPAPERS, EVENING PAPERS, PERIODICALS AND MOSQUITO
PAPERS THAT ARE STILL FUNCTIONING

<u>Name</u>	<u>Address</u>
Sin Wan Pao (北平報)	274 Hankow Road.
Shun Pao (申報)	309 Hankow Road.
Eastern Times (時報)	514 Foochow Road.
National Herald (神州日報)	130 Ningpo Road.
Ta Kung Pao (大公報)	181 Avenue Edward VII.
China Times (時事新報)	130 Avenue Edward VII.
Central China Daily News (中華日報)	303 Honan Road.
 Sin Wan Pao (Evening Edition) (北平晚報)	 274 Hankow Road.
China Evening News (大晚報)	130 Avenue Edward VII.
○ Ta Mei Wan Pao (大華晚報)	19 Avenue Edward VII.
○ Hwa Mei Wan Pao (華美晚報)	172 Avenue Edward VII.
Social Evening News (社會晚報)	310 Foochow Road.
 X Kwang Min (光明)	 Passage 106, 6 Route Vallon.
Sweat & Blood Weekly (汗血周刊)	Lane 228, 37 Burkill Road.
Sweat & Blood Monthly (汗血月刊)	- do -
Sympathy (國際同情)	459 Route Mercier.
Central China Monthly (中華月刊)	303 Honan Road.
 Social Daily News (社會日報)	 449 Ningpo Road.
Crystal (晶報)	218 Shantung Road.
War Time Daily News (戰時日報)	655 Ningpo Road.

PERIODICALS AND MOSQUITO PAPERS THAT ARE
STILL FUNCTIONING
(Non-Political)

<u>Name and Address</u>	<u>Subject Dealt With</u>
Young Companion Pictorial Magazine (良友图画杂志), 264 Kiangse Rd.	news and social customs
China Pictorial (中华图画杂志), 72 Route Vallon.	Common knowledge.
New Life Pictorial (新生画报), Lane 36, 15 North Monan Road.	" "
Yu Chou Feng (宇宙风), 20 Yu Koh Tsung (愚谷村), Yu yuen Road.	Literature.
West Wind Monthly (西风月刊), 20 Yu Koh Tsung, Yu yuen Road.	"
Science (科学), 533 Avenue du Roi Albert	Science & Technics.
Popular science (科学画报), 533 Av. du Roi Albert.	" " "
Military knowledge (军事常识), 264 Kiangse Road.	General knowledge about military affairs and armaments.
Vai Gee Hui Kan (萬奇集刊), 164 Avenue Road.	magic.
Hsi Pao (戏报), 81 Ziang Kong Li (祥康里), Myburgh Rd.	Dramatic news.
Hsi Chu Shih Chia (戏剧世界日报), 5 Ping Loh Li (平乐里), Yu ya Ching Rd.	" "
Robinhood (罗宾汉), daily, No. 39 Cheng Tun Li (尊德里), Amoy Road	" "

SHANGHAI MUNICIPAL POLICE.

S. 5, Special Branch, ~~XXXX~~,

REPORT

Date Dec. 1, 1937.

Subject Chinese Publications Suspended or Removed from Shanghai
to Avoid Japanese Interference.

Made by C.A. Loh Sin-kya

Forwarded by

Further to the file No. D.8187A, the attached is a list of the leading Chinese daily newspapers, mosquito papers, magazines, periodicals, pictorials, etc., which have voluntarily suspended publication or removed from Shanghai or which have been informally advised by the Municipal Police to cease publication since the withdrawal of the Chinese forces from Shanghai and vicinity.

Loh Sin Kya
Clerical Assistant.

D.C. (Special Branch).

Suggest that this report be
included in I.R.

C.P.

The important ones have been included in the
Daily I.R. already. I suggest not necessary
to republish a 15 known papers but kept
for record only.

Further closure of substantial papers will
be included in I.R. as cases arise

- 1 DEC 1937

DEPUTY CHIEF
SPECIAL BRANCH

S.T.

Note & pass

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P.A.
As above
MB
- 2 DEC 1937

LIST OF NEWSPAPERS, MOSQUITO PAPERS AND MAGAZINES THAT
HAVE SUSPENDED PUBLICATION SINCE THE WITHDRAWAL
OF CHINESE TROOPS FROM SHANGHAI

<u>Name and Address</u>	<u>Kind of Publication</u>	<u>Date of Last Issue</u>
Lih Pao (立報), 289 Kiukiang Road.	Daily	24/11/37
Min Pao (民報), 290 Shantung Road.	"	24/11/37
China Times (時事新報), 130 Av. Edward VII.	"	26/11/37
Central China Daily News (中華日報), 303 Honan Road.	"	28/11/37
National Herald (神州日報), 130 Ningpo Road.	"	30/11/37
Sin Pao (辛報), Room 529 Continental Emporium Bldg., Nanking Road.	Daily mosquito paper	13/11/37
Nan Pao (南報), Room 510 Continental Emporium Bldg., Nanking Road.	"	14/11/37
Chiu Huang Jih Pao (救亡日報 "National Salvation Daily News"), Room 631 Continental Emporium Bldg., Nanking Rd.	"	22/11/37
Chiu Huang Mai Hua (救亡漫畫 "National Salvation Cartoon"), Room 319, 422 Hankow Rd.	5-day cartoon pictorial	10/11/37
Sino-Japanese War Extra issued by New Life Pictorial (抗日畫報), Lane 36, 15 North Honan Rd.	5-day pictorial magazine	12/11/37
War Pictorial (戰事畫刊), 264 Kiangse Road.	"	16/11/37
War Supplement of China Pictorial (戰時畫報), 72 Route Vallon.	"	19/11/37
Pictorial of Resistant War (抗敵畫報), 74 Chao Chia Rd. (肇嘉浜), Nantao.	"	15/11/37
Sino-Japanese War Pictorial (血戰畫報), 380 Foochow Rd.	"	20/11/37
Chan Sun Hua Pao (戰聲畫報 "War Sound Pictorial").	"	20/11/37

<u>Name and Address</u>	<u>Kind of Publication</u>	<u>Date of Last Issue</u>
War issued by Health and Life (戰時生活畫報), 740 Burkill Rd.	5-day pictorial magazine	11/11/37
Ti Kong Hua Pao (Picture of War of Resistance)(抵抗畫報), 75 Chao Chia Rd, Nantao.	"	12/11/37
Ti Kong (Resistance) (抵抗), 75 Chao Chia Rd, Nantao.	3-day periodical	19/11/37
Sun Li Hua Pao (Victory Pictorial) (勝利畫報),	5-day pictorial magazine	12/11/37
War Extra (萬有戰報), Room 510 Continental Emporium Bldg, Nanking Rd.	5-day periodical	14/11/37
Min Cho Hu Sun (民族呼聲).	Weekly	12/11/37
The Great Age (大時代), 400 Foochow Rd.	"	18/11/37
Kuo Min (國民), Lane 384, 4 Foochow Rd.	"	12/11/37
Feng Ho (Fighting Fire) (烽火), 3 Si Chong Jao Ka (西倉橋街), inside City.	"	21/11/37
Kuo Sin (Current Nation) (國記), 80 Route Voyron.	10-day periodical	11/11/37
Wen Tih (文摘), Futan University, Siccawei.	"	18/11/37
Wen Hua Chan Sien (文化戰綫), Lane 384, 4 Foochow Rd.	"	11/11/37
World Culture (世界智識), Lane 384, 4 Foochow Rd.	Semi-monthly	16/11/37

SHANGHAI MUNICIPAL POLICE.

File No....

S. 5, Special Branch, 320221,

REPORT

Date..... Dec. 1, 1937.

Subject..... Three News Agencies Suspend Service to Avoid Japanese Interference.

Made by C.A. Loh Sih-kya. Forwarded by.....

In order to avoid Japanese interference, the following three news agencies will suspend their service as from to-day, December 1:-

- 1) The Shun Shih News Agency (申時電訊社),
No. 130 Avenue Edward VII.
- 2) The Ta Kung News Agency (大公通訊社), No. 545
Hwa Ngoh Fong (華英坊), Kiukiang Road.
- 3) The Zung Chow News Agency (神州電訊社),
No. 117 Avenue Edward VII.

The Shun Shih News Agency is one of the four concerns owned by a limited liability company formed by Dr. H.H. Kung, Mr. T.V. Soong, Mr. Sing-loh Hsu (徐新六), Mr. Tu Yueh-sung (杜月笙) and a number of other prominent persons.

Mr. Chuen Vee-ngoo (崔唯吾), the Managing-Director of the defunct "China Times" (時事新報), a leading Chinese daily newspaper, and the "China Evening News" (大晚報), a senior evening newspaper, is the General Manager of the Shun Shih News Agency, with Mr. Tang Shih-chang (唐世昌) as Manager.

The Ta Kung News Agency is an organ of the Shanghai General Labour Union. The Union was dissolved after the withdrawal of the Chinese forces from Shanghai and vicinity. Mr. Chu Hsueh-fan (朱學範), Chairman of the Union, who is the Manager of this news agency, is reported to have already fled from Shanghai.

The Zung Chow News Agency was formed in April, 1936 by Mr. Mei Sin-tse (梅星如) after resigning from the post of Manager of the Shun Shih News Agency.

Loh Sih Kya
Clerical Assistant.

D.C. (Special Branch)

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December 1, 1937.

Three News Agencies Suspend Service to Avoid Japanese Interference

In order to avoid Japanese interference, the following three news agencies will suspend their service as from to-day, December 1 :-

- 1) The Shun Shih News Agency (申时电讯社),
No. 130 Avenue Edward VII.
- 2) The Ta Kung News Agency (大公通讯社), No. 545
Hwa Ngho Fong (华英坊), Kiukiang Road.
- 3) The Zung Chow News Agency (神州通讯社),
No. 117 Avenue Edward VII.

*Received in
12/12/37*

The Shun Shih News Agency is one of the four concerns owned a by a limited liability company formed by Dr. H.H. Kung, Mr. T.V. Soong, Mr. Sing-loh Hsu (徐社公), Mr. Tu Yueh-sung (杜月笙) and a number of other prominent persons.

Mr. Chuen Vee-ngoo (崔唯吾), the Managing-Director of the defunct "China Times" (时事新报), a leading Chinese daily newspaper, and the "China Evening News" (大晚报), a senior evening newspaper, is the General Manager of the Shun Shih News Agency, with Mr. Tang Shih-chang (唐世昌) as Manager.

The Ta Kung News Agency is an organ of the Shanghai General Labour Union. The Union was dissolved after the withdrawal of the Chinese forces from Shanghai and vicinity. Mr. Chu Hsueh-fan (朱学范), Chairman of the Union, who is the Manager of this news agency, is reported to have already fled from Shanghai.

The Zung Chow News Agency was formed in April, 1936 by Mr. Mei Sin-tse (梅星如) after resigning from the post of Manager of the Shun Shih News Agency.

SECRET - NOT FOR PRESS PUBLICATION

SHANGHAI MUNICIPAL POLICE
SPECIAL BRANCH

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Intelligence Report

Political

Dec. 2, 1937.

"National Herald" (神州日报) - suspends publication

The "National Herald" (神州日报) (Zung Chow Jih Pao), 130 Ningpo Road, a leading Chinese daily, suspended publication on December 1.

News Agencies suspend service

The Shun Shih News Agency (申时电讯社), 130 Avenue Edward VII, the Ta Kung News Agency (大公报), 545 Hwa Ngoh Fang, Kiukiang Road, and the Zung Chow News Agency (神州电讯社), 117 Avenue Edward VII, suspended service as from December 1.

Chinese Government State Lottery - suspension

The drawing of the 41st Issue of the Chinese Government State Lottery which was scheduled to take place in Shanghai on December 3, 1937, has been cancelled: a notice to this effect having been published in to-day's press notifying members of the public who are in possession of tickets of the 41st Issue to apply to the Central Bank of China, the Bank of China or the Bank of Communications for refund of purchase price.

The Chinese Government State Lottery Administration, 183 Avenue Edward VII, has been removed to Hankow.

Shanghai Broadcasting Station - suspends service

The Shanghai Broadcasting Station (operating on the call sign X.H.H.S.), 323 Kiangse Road, suspended broadcasting as from December 1.

SHANGHAI MUNICIPAL POLICE.

File No.

D. 5, Special Branch, ~~Section~~, ~~Room~~

REPORT

Date: Dec. 1, 1937.

Subject: The "Zung Chow Jih Pao" ("National Herald").

Made by C.A. Loh Sih-kya.

Forwarded by

The "Zung Chow Jih Pao" (神州日報 "National Herald"), No. 130 Ningpo Road, one of nine leading Chinese daily newspapers in Shanghai, has suspended publication as from December 1.

Prior to the outbreak of the Sino-Japanese hostilities, this paper used to receive a regular subsidy of \$4,000 per mensem from the National Government, but the sum was reduced to \$2,000 after the outbreak of hostilities.

Owing to heavy losses, due to poor circulations and lack of advertisements, and fear of Japanese interference, Mr. Tsiang Kwong-tang (蔣光堂), General Manager of the paper, decided to suspend publication.

As regard the remarks of D.C. (Special Branch) on the attached translation of an article entitled "The All-Front Resistance and the Organization of the People" published by this paper of November 29, I beg to suggest that the matter be pigeon-holed for the time being.

Loh Sih Kya
Clerical Assistant.

D.C. (Special Branch).

P.H.

Note down in I. R.

In inclusion in I. R. of 2.12.37.

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CP

MB

Yes

2/12/37

December 1, 1937.

The "Zung Chow Jih Pao" ("National Herald")

The "Zung Chow Jih Pao" (神州日報 "National Herald"), No. 130 Ningpo Road, one of nine leading Chinese daily newspapers in Shanghai, has suspended publication as from December 1.

Prior to the outbreak of the Sino-Japanese hostilities, this paper used to receive a regular subsidy of \$4,000 per mensem from the National Government, but the sum was reduced to \$2,000 after the outbreak of hostilities.

Owing to heavy losses, due to poor circulations and lack of advertisements, and fear of Japanese interference, Mr. Tsiang Kwong-tang (蔣光堂), General Manager of the paper, decided to suspend publication.

As regards the remarks of D.C. (Special Branch) on the attached translation of an article entitled "The All-Front Resistance and the Organization of the People" published by this paper of November 29, I beg to suggest that the matter be pigeon-holed for the time being.

In conclusion
in R
OK

9.R. 2/12/37

2/12

Intelligence Report

December 2, 1937.

"National Herald" (神州日报) - suspends publication

The "National Herald" (神州日报) (Shung Chow Jih Pao), 130 Ningpo Road, a leading Chinese daily, suspended publication on December 1.

November 30, 1937.

THE "NATIONAL HERALD" TO SUSPEND PUBLICATION

The "National Herald" publishes a notice this morning announcing that it will suspend publication in Shanghai as from December 1.

November 29, 1937.

Afternoon Translation.

National Herald publishes the following special article :-

THE ALL-FRONT RESISTANCE AND THE ORGANIZATION OF THE PEOPLE

General Sung Hsi-lien (宋希濂), a Divisional Commander, once complained about lack of co-operation from the people and the abundance of traitors when the Chinese troops were fighting in Shanghai.

People may have turned traitors because of their connections (especially economic) with the Japanese Imperialists or because of the necessity of earning a living, but the underlying cause is the lack of organization among the people. If there had been a sound organization of this nature and if the people had been given the thorough political knowledge necessary in a war of resistance, they would have watched one another and effectually prevented people from becoming traitors.

A people who have not been properly organized will never be able to put up any kind of resistance, as witness, for example, the case of the people of Tienchen, Tatung, Kwangling and Lingkiu in Shansi, who were massacred in large numbers by the enemy after the fall of these districts.

For this reason, all responsible persons on the committees to support resistance against the enemy should put into effect the following eight points mentioned in the General Principles for National Salvation Work in the Interior drawn up by the Shanghai Cultural Circles' National Salvation Association :-

- (1) To improve agriculture and manual industry.
- (2) To erect small barns for the storage of corn.
- (3) To promote character-learning and war-time common knowledge among the people.
- (4) To promote an economy movement and the contribution of gold and silver ornaments to the country.
- (5) To strengthen the district defence organizations to check the activities of traitors.
- (6) To co-operate with the authorities in giving military training to the people.
- (7) To form transportation, first aid and other parties in support of the war of resistance.
- (8) To collect national salvation and liberty bond funds.

Dr. Sun Yat-sen overthrew the warlords with the power of the people. To-day we shall overthrow Japan and emancipate China with the same force. An understanding between the fighting forces and the people will make our position as strong as if we had a fortress in every nook and corner and will enable us to annihilate the Japanese Imperialists and win the final victory.

105
1009/10
36 2/10

SHANGHAI MUNICIPAL POLICE.

File No. 100-10

S. 5, Special Branch, Station,

REPORT

Date November 26, 1937.

Subject Leading Chinese Daily Newspapers

Made by C.A. Loh Sih-kya Forwarded by [Signature]

At an urgent meeting held by the Chinese Daily Press Association in the premises of the "Shun Pao" at about 9 p.m. on November 23 at the request of the "Lih Pao," the "Min Pao," the "China Times" and the "Central China Daily News," it was resolved that the representatives of those four Chinese newspapers who were informally advised either to suspend publication or to remove their offices from the International Settlement should call on Mr. Fessenden, Secretary-General of the S.M.C., on November 24 to ask him for the reason of this informal advice.

It was also decided that all newspapers should voluntarily modify their attitude towards Japan. The representative of the "Ta Kung Pao" did not approve this decision.

As from yesterday the expression "enemy" is being replaced by the term "Japan" by the "Sin Wan Pao," the "Shun Pao" and other newspapers.

At about 4 p.m. November 25 the Board of Directors of the "China Times" held a meeting to discuss the situation. As the paper would sustain heavy losses should publication be continued under the present circumstances and as freedom of speech would probably encounter much difficulty, the meeting resolved to suspend publication.

Translation of an open letter addressed to its readers by the "China Times" is attached.

File [Signature]

Loh Sih Kya
Clerical Assistant

D. C. (Special Branch).

29/11

CP

100-10

26/11

November 26, 1937.

Morning Translation.

China Times publishes the following notice :-

"CHINA TIMES" SUSPENDS PUBLICATION

The publication of this paper will be suspended as from November 27.

China Times publishes the following open letter to readers:-

A Letter of Valediction

From to-morrow we bid you a temporary farewell.

This paper has been in existence for thirty years during which period it has overcome many difficulties. Since the outbreak of the present war of resistance, we have, for the sake of justice, peace, civilization as well as our national existence and interests, repeatedly criticized and censured the Japanese Imperialists, the public enemy of mankind and civilization. We felt it our duty as citizens of China and newspapermen to maintain this attitude towards the Japanese Imperialists so long as our enemy---the Japanese Imperialists---continue to commit acts of aggression against China.

Our troops have now moved to the west. The Municipality of Greater Shanghai has fallen. Taking advantage of their military occupation of the area around Shanghai, our enemy---the Japanese warlords---have coerced the authorities of the Foreign Settlements and are demanding the suppression of all anti-Japanese activities. In order to prevent our freedom of speech from being interfered with so that our conscience may remain clear, we prefer to suspend publication voluntarily rather than to serve the enemy as slaves.

We firmly believe that China will weather this crisis. We shall meet our readers again and very soon.

28109

"Enemy" Becomes Japan In Chinese Newspapers

Japan is now simply Japan in Chinese newspaper language.

Apparently complying with the "friendly advice" from the Shanghai Municipal Police, all Chinese-owned newspapers in Shanghai today cancelled the old system of referring to Japan as the "enemy." The Ta Kung Pao and China Times are the only exceptions and they continued to refer to the Japanese army as the "enemy army."

This marks the second change in Chinese newspaper language in its reference to Japan. Before the outbreak of the Lukouchiao Incident in July, Japan was often referred to in the Chinese newspapers as "a certain country." This was immediately changed to "enemy" when the war broke out.

Except for the Lih Pao, influential tabloid paper with a large circulation, and Min Pao, semi-official organ of the City Kuomintang, which announced their suspension yesterday, all the other Chinese papers appeared as usual today. It is reported that the Shun Pao and Ta Kung Pao are seriously considering suspension of publication in the near future and move to Hankow where the latter has already a Hankow edition, being moved there from Tientsin following the Japanese occupation of that city.

Settlement police visited the Central News Agency office in Continental Emporium building yesterday and put the private radio station there out of function.

SHANGHAI MUNICIPAL POLICE.

File No.....

S. 5, Special Branch. ~~SECRET~~
REPORT

Date November 24, 1937.

Subject Chinese Publications Removed from Shanghai to Avoid Japanese Interference.

Made At and Forwarded by D.S.I. Logan.

Further to report on above, dated 23/11/37,
Mr. Sah Koong-liao (薩空了), Chief Editor of the "Lih Pao"
(立報), Mr. Y.C. Feng (馮有真), Manager of the Shanghai
Branch of the Central News Agency (中央通訊社), Mr. Chuen
Vee-ngoo (崔唯吾), General Manager of the "China Times"
(時事新報), Mr. Ling Pah-sun (林栢生), General Manager
of the "Central China Daily News" (中華日報), and Mr. Kwan
Tsi-oen (管行安), Chief Editor of the "Min Pao" (民報),
called upon D.C. (Special Branch) at Headquarters at 2.30 p.m.
24/11/37, stating that they had heard from the Secretary-
General of the S.M.C. that the latter denied being aware that
the newspapers, etc. mentioned above, had been ordered to
close down, and asking to have the position clarified.

Mr. Sah of the "Lih Pao", who was first
interviewed by the D.C. (Special Branch) was informed that
there was no question at the moment of the S.M.C. ordering
the "Lih Pao" to cease publication in the Settlement but
that as information had been received that it was proposed
to transfer the "Lih Pao" to Changsha, the Police merely
wished to inform the management of the "Lih Pao" informally
that the proposal should be put into effect at the earliest
possible convenience. Mr. Sah stated that the paper had
ceased publication on 24/11/37 and he was going to move to
Changsha, but that he hoped it would be able to resume
publication in the not very far future in Shanghai.

Mr. Y.C. Feng of the Central News Agency desired
to know whether the advice that his agency should cease
functioning in the Settlement was official and was informed
that up to the present it was not, but that taking into

C.P.
Notes on
interview
with
Sah B.

S. 5.
K. I. V.
D.B.R.

26/11/37 Notes ref 20/11

SHANGHAI MUNICIPAL POLICE.

File No....

REPORT

Station,

Date.....19

Subject

(2)

Made by

Forwarded by

consideration the full circumstances existing in Shanghai at present, he would realize that to have cease functioning was the wisest course to follow. Mr. Feng also voiced his annoyance at the action of the Police in endeavouring to ascertain the manner in which he desired to dispose of the wireless transmitter belonging to his agency which is located on Tatung Road and was informed that the Police would have to ascertain in what manner the transmitter is disposed of, as long as it remains in the Settlement. It was indicated that being an official Kuomintang organ the advice might become an order.

In regard to the "Min Pao", Mr. Kwan was informed that up to the present no official order to close this paper had been issued by the S.M.C. but that should the paper continue to be published, it might be necessary to recommend its closure in view of the fact that it is a Kuomintang official organ.

Mr. Chuan of the "China Times" and Mr. Ling of the "Central China Daily News" were informed that if they wished to continue publishing their respective papers, they were at liberty to do so, but that no anti-Japanese or false reports would be permitted. They were informed, however, that in view of the fact that their papers are known to belong to National Government Party leaders, it might be advisable in their own interests to cease publishing voluntarily. This was left for them to decide.

D. S. I.

D. C. (Special Branch)

28096

Three Chinese Dailies Decide To Carry On

Lih Pao And Ming Pao Fold Up; Editors See Fessenden

Mr. Stirling Fessenden, Secretary-General of the Shanghai Municipal Council, disclaimed yesterday that the Council had authorized anyone to give "unofficial advice" on its behalf for the immediate suspension of the Central News Agency and the five leading local Chinese dailies.

In an interview yesterday with the delegates of the five papers, Mr. Fessenden explained the Council's stand with regard to anti-Japanese activities. He made it clear that local journals which comply with the Council's requirements will be allowed to continue.

Following the interview, editors of three of the five papers, which Tuesday evening received the "unofficial advice" from two representatives of the Council, decided that they will continue to publish their papers. These are: the China Times, the Central China Daily News (Chung Hua Jih Pao), and the National Herald (Chen Chou Jih Pao).

The other two dailies, the Lih Pao and the Min Pao, which printed their farewell numbers yesterday, decided that they will abide with the original suggestion of the Council for suspension. The editor of the Lih Pao, who in a farewell editorial explained the reason of suspension of the paper and called on the Chinese populace in Shanghai to continue to aid the cause of China, stated that he does not choose to alter the stand of his paper.

The Central News Agency, which was also asked to close down, will continue to suspend its service pending a definite decision on the matter by the Council.



Handwritten notes and signatures at the bottom of the page, including 'd.c.s.b.', 'S.S.', and 'notes'.

28143

PREMATURE CLOSURE OF NEWS ORGANS

Advice to Modify Attitude
"Misinterpreted"

OTHER PAPERS CONTINUE PUBLICATIONS

A "slight mistake" has resulted in the premature suspension of two Chinese newspapers and one news agency, according to information from Chinese sources yesterday.

The two newspapers are "Lih Pao" which is in tabloid form, and the "Min Pao", the successor of the "Min Kuo Jih Pao", a Kuomintang organ which was closed down prior to the outbreak of the first Sino-Japanese hostilities here in 1932. The agency is the official Central News Agency.

While the agency suspended their services in Shanghai as from yesterday, the two newspapers will not appear beginning to-day. The suspension had been contemplated. They would have still carried on, however, to-day had not they been "advised" by some junior officers of the Settlement Police on Tuesday to discontinue, it was reported.

Enquiries made at the Shanghai Municipal Council and the Police Headquarters revealed that the official advice was to urge them to "modify" their attitude, according to information from Chinese sources. Since their notices of suspension had already been made public, the two newspapers and the agency decided not to reopen in the near future.

Others to Carry On

Meanwhile the three other Chinese newspapers, which also received the "wrong advice", are carrying on. They are "The China Times", "The Central China Daily News" (Chung Hwa Jih Pao), and "The National Herald" (Sheng Chow Jih Pao).

A spokesman of the "China Times" questioned by a representative of the "North-China Daily News" yesterday, denied the rumour that his paper and the other two papers were considering an immediate closure of their offices.

The "advice", he explained, was misinterpreted by the junior officers of the police. What the Settlement authorities advised us to do was to "modify our attitude", he said. The papers, he continued, would readily comply with the latter advice. The publications would be continued as usual, however.

Two tabloid-sized papers, "The National Salvation Daily", publication of the National Salvation Association of the Cultural Association of Shanghai, and the "Hsin Pao", have moved their offices to Hankow. Other Chinese papers are carrying on their publications here as usual. The "Ta Kung Pao" and "Shun Pao" have, however, suspended their afternoon editions.

All the Chinese Government offices in Shanghai have received their orders from the Central authorities to wind up their affairs, according to a Chinese report. These include the City Government of Shanghai and its various bureaux, the Garrison Headquarters for Shanghai and Woosung, the Martial Law Headquarters and the City Kuomintang Headquarters and its sectional offices.

November 25, 1937.

Journal de Shanghai :-

S.M.C. DID NOT ADVISE CHINESE NEWSPAPERS TO SUSPEND
PUBLICATION

Mr. Fessenden, Secretary-General of the Shanghai Municipal Council, yesterday denied that he had authorized any person to advise officially in his name the Central News Agency and five Chinese newspapers to suspend publication.

In the course of an interview he gave to pressmen yesterday, Mr. Fessenden explained the attitude of the Council in the matter of anti-Japanese activities. He declared in clear terms that all newspapers which comply with the regulations of the Council may continue to appear.

In consequence of this interview, three newspapers which had received the so-called "official advice" have decided to continue publication. They are the "China Times," the "Central China Daily News" and the "National Herald."

The "Lih Pao" and the "Min Pao" have suspended publication.

Shun Pao and other local newspapers :- 25-11-37 (A.M.)

REPORT ON SUSPENSION OF PUBLICATION BY CHINA TIMES
AND OTHER NEWSPAPERS UNTRUE

In their yesterday's issue local foreign newspapers reported that five leading newspapers would suspend their publications. It is now learned that with the exception of the "Min Pao" and the "Lih Pao" which have voluntarily ceased publication, the "China Times," the "Central China Daily News" and the "National Herald" will continue to appear to-day. The report that they will suspend publication is untrue.

November 24, 1937.

Morning Translation

Lih Pao publishes the following notice :-

SUSPENSION OF PUBLICATION

This paper will suspend publication as from November 25. At this parting we offer our heartfelt thanks to readers for their support.

"MIN PAO" SUSPENDS PUBLICATION

The "Min Pao" publishes a notice in its advertisement columns to-day announcing that the paper will cease publication as from November 25.

In making this announcement, the editor of the "Min Pao" writes:-

"It is not at all unwelcome nor is it unexpected that this paper should have to suspend publication. Compared with the loss in lives and property sustained in this war of resistance, what this paper has lost is infinitesimal. Moreover, the fate of the people is closely allied to the destiny of the Government. There is no need for us to regret the suspension. However, we consider it necessary to give to our readers, through the medium of this article, some indication of our feelings:-

"(1) We presume our readers know why this paper has to cease publication. This is only a prelude to future difficulties. Henceforth we should deal with all future events with great care and firm determination.

"(2) We feel that we have not fully fulfilled our duties and the suspension of publication will prove a great disappointment to our readers, but we are confident that it will not be long before this paper will once more be in the hands of our readers.

"(3) It is true that we have sustained numerous reverses in the present war of resistance, but we should not be discouraged by this; on the contrary, we should continue our resistance so that we may attain final victory in the end.

"(4) Our policy and strategy in the present war of resistance have already been defined and we are confident that they will give us final victory. It is probable that misleading reports will be published after the suspension of publication by this paper, but we must remain firm in our determination and have full confidence in our Government and our leader and continue our resistance to the bitter end.

China Times and other local newspapers :-

SHANGHAI BRANCH OF CENTRAL NEWS AGENCY TO CEASE FUNCTIONING
AS FROM TO-DAY

On November 23, the Shanghai Branch of the Central News Agency issued the following notice announcing that it will cease issuing news sheets as from November 24:-

November 24, 1937.

Morning Translation.

"As from November 24, this Branch will cease issuing news sheets. The Chinese translations of news sheets of the Reuter and the Havas News Agencies, which used to be distributed by this Branch, will be returned to them for distribution. Newspapers which desire to use the news sheets of these two news agencies should make arrangement with them direct. The Branch office of this agency will collect the charges for the news sheets of the two news agencies up to the end of November, but from the month of December the two foreign agencies themselves will collect these charges".

C. P.

Lih Pao & others

This question only arose owing to the last paragraph of attached report dated Nov 23. You will note the Publications in question are owned by Government Officials except the Lih Pao which is a very anti. Comm. anti. Foreign and anti Japanese publication.

I made the minutes indicating that in view of the above facts they might be told to move on suspend publication particularly as they were already prepared for such necessity.

DSI Logan informs me that there was no question of forcible closing and they were each advised to close down only. He thought the Clerk Do was being rather unnecessarily misled as this was more noticeable in the case of the Lih Pao.

Any misunderstanding that has arisen is due to my instructions and which

1937

I feel the action taken was reasonable I very much regret the file did not favor you to you as actually was intended.

If the Managers of the China Times & Central China Daily news do call I shall warn them as to anti-Japanese activities & make no further recommendations at the moment.

I shall have also a note of the Peters incident etc to L. Pao on Nov 17 etc report dated Nov 19.

Wm. B. Brown

DEPUTY CHIEF OF BUREAU
(SPECIAL AGENT)

BC LB - Reported by Leg. Sec. I have explained circumstances & he accepted. ~~Wm. B. Brown~~

Wm. B.
25/11

SHANGHAI MUNICIPAL POLICE.

File No.

S.S. Special Branch *Station*,

REPORT

Date *November 24, 1937*.

Subject *Closing up of four Chinese leading newspapers*

Made by *and* Forwarded by *D.S.I. Logan*

Further to the attached file and acting on instructions from D.C. (Special Branch) thereon, D.S.I. Logan and Clerical Assistant Loh Shi-kya visited the following responsible persons between 4.00 and 5.30 p.m. on November 23:-

(1) Mr. Chen Hsien-tao (陳希濤), Manager of the "China Times", No. 130 Avenue Edward VII.

(2) Mr. Yen Shi-sung (葉雪松), Business Manager of the "Central China Daily News", No. 303 Honan Road.

(3) Mr. Ho Wei-sun (胡惠生), an editor of the "Lih Pao", No. 290 Shantung Road.

(4) Mr. Sah Koon-ling (薩空了), Chief Editor of the "Lih Pao", No. 289 Kiukiang Road.

During these interviews the aforementioned persons were informally asked to cease publication of their respective papers as soon as possible and the advice was accepted.

In to-day's issue, the "Lin Pao" and the "Lih Pao" publish the following notice in their respective papers:-

"This paper will cease publication as from November 25, owing to conditions existing in this locality."

The "China Times" and the "Central China Daily News", however, make no mention of cessation of their respective publications.

The Managers of the "China Times" and the "Central China Daily News" state that they will call at Police Headquarters at 2 p.m. to-day.

W. Logan
D. S. I.

D. C. (Special Branch)

SHANGHAI MUNICIPAL POLICE.

S. 5, Special Branch, Station,

REPORT

Date November 23, 1937.

Subject Chinese Publications Removed from Shanghai to Avoid

Japanese Interference

Made by C.A. Loh Sih-kya

Forwarded by

Further to the attached file, the following publications have either voluntarily suspended or removed their offices from Shanghai :-

(1) The "People's Tribune" (人民论坛), a fortnightly review in English, published and edited by Mr. Tang Leang-li (汤良利) who, according to report, was paid a subsidy of about \$2,000 per mensem by the Nanking Government.

(2) The "Wen Tih" (文摘), a 10-day periodical, published by the faculty of Fudan University, has announced its removal to Hankow.

(3) The "Wen Hsueh" (文学), a monthly magazine, has suspended publication. Fu Tung-hwa (傅东华), the publisher and editor of the magazine, published a notice in Chinese newspapers on November 22 announcing that the magazine henceforth be published in Hankow.

(4) The "Chiu Huang Jih Pao" (National Salvation Daily News 救亡日报), published by the Publications Committee of the Shanghai Cultural Circles' Race Salvation Association, publishes a notice in the "Sin Wan Pao" and the "Shun Pao" to-day announcing its removal to Hankow.

(5) The "Ti Kong" (Resistance 抵抗), a 3-day periodical, published by Mr. Tseu Tao-feng (邹韬奋), one of the seven leaders of the National Salvation Association, has suspended publication and will be removed to Hankow.

In addition, a number of other periodicals, magazines, pictorials, etc., are about to suspend publication.

It is reported that the management of the "Sin Wan Pao" will ask Dr. Ferguson, the former owner of the paper, to convert the paper into an American concern.

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SHANGHAI MUNICIPAL POLICE.

File No. ..

Station,

REPORT

- 2 -

Date .. 19

Subject ..

Made by .. Forwarded by ..

X. The "Lih Pao" (利報) will remove to Changsha, Capital of Hunan Province, while the "China Times" (時報), owned by Dr. H.H. Kung and Mr. T.V. Soong, the "Central China Daily News" (中央日報), an organ of Mr. Wang Ching-wei, and the "Min Pao" (民報), the official organ of the Kuomintang, will suspend publication should they find it necessary.

Loh Sih Kya
Clerical Assistant

D. C. (Special Branch).

SHANGHAI MUNICIPAL POLICE.

File No...

S. S., Special Branch, ~~Sixxou~~,
 Date Nov. 18, 1937.

REPORT

Date Nov. 18, 1937.

Subject Chinese Publications removed from Shanghai to avoid Japanese Interference.

Made by C.A. Loh Sih-kya

Forwarded by

After the complete withdrawal of the Chinese army from Shanghai and vicinity, rumours were in circulation in this locality that the Japanese military forces would compel the S.M.C. to suppress all anti-Japanese publications. In consequence, the following publications have either voluntarily suspended or removed their offices from Shanghai:-

1) The "Sin Pao" (辛報), a mosquito daily paper, published by Mr. Pan Kung-chan (潘公展), Commissioner of the Bureau of Social Affairs, has closed down and will probably resume publication at Hankow.

2) The "Kuo Sin" (國訊) Magazine, a ten-day periodical, has removed to Nuchang.

3) The "Chiu Huang Tai Hua" (救亡圖畫), a five-day cartoon pictorial, has removed to Hankow.

4) The "Min Cho Hu Sun" (民族呼聲), a weekly periodical, has announced that the next issue will appear at Hankow.

5) The "Kuo Nai Tsing Nyi" (國難青年), a weekly periodical, and three pictorials, called the "Kong Ji Hwa Pao" (抗戰畫報), the "Ti Kong Hwa Pao" (抵抗畫報) and the "Sun Li Hwa Pao" (勝利畫報), have ceased publication.

The "Ti Kong" (抵抗), a three-day periodical, published and edited by Mr. Tseu Tao-feng (舒詔奮), one of the seven leaders of the National Salvation Association, will be removed to Hankow. The Life Book Co., Lane 384, 4 Foochow Road, has converted its head office into a branch office. The head office has been removed to Hankow.

S.S.

Loh Sih Kya

Clerical Assistant.

D. C. (Special Branch)

no indication
 11/20/37

CP.
 D.C. (S.S.)
 D.C. (S.S.)
 D.C. (S.S.)

K. S. L.
 S.M.C. and
 Japanese, must
 be in a house
 by me
 American



C. 16

CHINA PRESS.

DEC 18 1938

Akagi Replies To Criticism By Nipponese

**"S.M.P. Is Not Japanese
Governmental Body,"
He Declares**

Replying, apparently, to various criticisms directed at him by Japanese circles, Mr. Chikayuki Akagi, Japanese Special Deputy Commissioner of the S. M. Police, stated that he was willing to resign in favor of a more capable and talented official at any time the Tokyo Government required him to do so. This statement was reported by the Shanghai Mainichi, local Japanese daily.

Pointing out that the Shanghai Municipal Police Force is not a Japanese governmental organization, but an institution in which the conflicting interests of third-party powers were in constant evidence, Deputy Commissioner Akagi remarked that, during the five months he has been in office, he heard many criticisms and suggestions regarding his work. There were no alternatives, however, to the steps he has been taking, Mr. Akagi declared.

"I cannot take any drastic measures," he said.

"We must take a long view," Mr. Akagi reportedly added. "reforms, as well as other measures, will have to be undertaken step by step."

The S.M.P. Special Deputy Commissioner admitted that Japan, "as a victorious nation," would be justified in demanding partial reorganization of the S.M.P., but added that such claims, no matter how just, are not compatible with the organization of the S.M.P., which has already developed a history and tradition of its own.

"The Shanghai Municipal Council," he continued, "has shown a very considerate attitude towards Japanese demands, which were now on the eve of realization up to a certain degree with negotiations reaching their final stage."

He declined, however, to divulge the reform plans.

NORTH-CHINA DAILY NEWS.

DEC 18 1938

Reform of S.M.P. Canvassed

**Deputy Commissioner Says
Changes Cannot Be Made
Quickly ; Japan's Rights**

Mr. Chikayuki Akagi, Japanese Special Deputy Commissioner of the Shanghai Municipal Police, is willing to resign in favour of "a more capable and talented official" at any time the Tokyo Government requires him to take such a step, the "Shanghai Mainichi" reported on Friday night in a featured report quoting the Japanese official at length.

"During the five months I have been in office," the "Mainichi" reported Mr. Akagi as saying, "I have heard many criticisms and suggestions regarding my work, but what alternatives are there to the steps I have been taking?"

"I cannot take any drastic measures in the proposed reform of the Municipal Police," Mr. Akagi was stated to have declared, pointing out that the S.M.P. was not a Japanese governmental organization, but an institution in which the conflicting interests of third-party Powers were in constant evidence.

"We must take a long view," Mr. Akagi was quoted as saying. "Reforms as well as other measures will have to be undertaken step by step."

Reorganization Justified

Japan, "as a victorious nation", the Special Deputy Commissioner was further reported to have said, would be justified in demanding a partial reorganization of the S.M.P.

"But such claims, no matter how just they are, are not compatible with the organization of the S.M.P. which has already developed a history and tradition of its own," he was said to have added.

The Municipal Council, the "Mainichi" said quoting Mr. Akagi, had shown a "very considerate" attitude towards Japanese demands, which were now on the eve of realization up to a certain degree as negotiations were reaching their final stage.

Mr. Akagi, however, declined to divulge the reform plans asserting that the time for that was still immature.

SHANGHAI TIMES.

DEC 18 1938

Deputy Commissioner Akagi Offers To Quit Post

Specially Appointed Police Official Refers To Criticisms; Points To Impossibility Of Taking Drastic Action To Get Reforms

Mr. Chikayuki Akagi, Japanese Special Deputy Commissioner of the Shanghai Municipal Police, is willing to resign in favour of "a more capable and talented official" at any time the Tokyo Government requires him to take such a step. The Shanghai "Mainichi" reported Friday night in a featured report quoting the Japanese official at length.

"During the five months I have been in office," the "Mainichi" reported Mr. Akagi as saying, "I have heard many criticisms and suggestions regarding my work, but what alternatives are there, to the steps I have been taking?"

"I cannot take any drastic measures in the proposed reform of the Municipal Police," Mr. Akagi was stated to have declared, pointing

out that the S.M.P. was not a Japanese governmental organization, but an institution in which the conflicting interests of third-party Powers were in constant evidence.

"We must take a long view," Mr. Akagi was quoted as saying. "Reforms as well as other measures will have to be undertaken step by step."

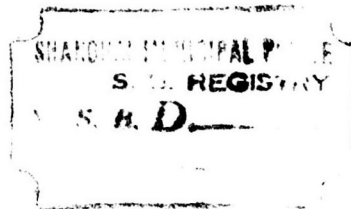
Japan, "as a victorious nation," the Special Deputy Commissioner was further reported to have said, would be justified in demanding a partial reorganization of the S.M.P.

"Considerate View"

"But such claims, no matter how just they are, are not compatible with the organization of the S.M.P. which has already developed a history and tradition of its own," he was said to have added.

The Municipal Council, the "Mainichi" said quoting Mr. Akagi, had shown a "very considerate" attitude towards Japanese demands, which were now on the eve of realization up to a certain degree, as negotiations were reaching their final stage.

Mr. Akagi, however, declined to divulge the reform plans asserting that the time for that was still immature, according to the "Mainichi."



MEMO.

Comme

Sir,

Information

The Substantive

D. C. Special Branch.



REGISTRY

Line

Referring to a letter of 20.11.1964, Bangalore dated 10.11.1964, except towards Municipal Engineer, Special Deputy Commissioner Akagi said in his office at 12th Main, Station which overlooks the congested Kankina Road:-

"During my five months' stay here I have received many requests; I have also heard many criticisms directed against me. What then would truly be the best policy? For my part I am fully convinced that I am almost in agreement with the city. Japan has secured certain authority and influence as a result of victories in battle, but I doubt whether it will be able to exercise them in matters affecting the S.M.C. which has been built with its traditions after many years. In connection with the question of reforms in the S.M.C. our requests have been accepted to a certain extent and final negotiations are being held. The time has not yet arrived to make it public so we must wait a little while. The S.M.C. takes a negative attitude, while Japan has adopted a positive attitude, but I think it will be better for us first to draw up an outer structure and later to go into details. Sometimes I am informed that among our Japanese policemen are some who even feel ashamed of wearing this kind of uniform; this I think is narrow minded and most regrettable. I took up this work on instructions from our Government. If the Tokyo Government, therefore, can find an abler and more talented man, I have no objection to such man being sent here to replace me. It is not easy work to get what we want because the S.M.C. is an organization formed by third Powers and it is a matter of course that they do not take orders

(1)

from our movement. I think we must not neglect
either our legitimate rights and interests, but I think we must
not act too hurriedly; but we must be first well prepared, only
carrying out our work in a steady way."

EVENING ECHO

NOV 8 1938

HONGKEW

WITH every day that passes, the adamant stand which the Japanese Powers—that be are taking in keeping Hongkew and the Northern districts closed to Chinese civilians, they are dealing a blow to the desperate attempt made by Shanghai's cosmopolitan community to see this city return to normal.

As far back as August, high consular officials of Dai Nippon, promised that districts on the other side of the creek would be thrown wide open within a matter of days. The plan was laid down, small districts at a time were to be opened until the whole territory would be—what it always was—a prosperous part of this city.

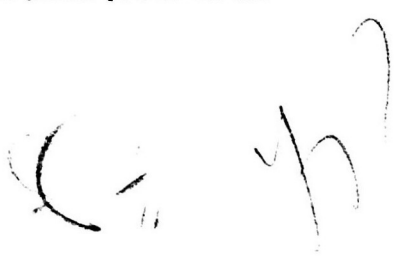
Rents which have risen to previously unknown heights, would come back to their normal level, while from the point of view of public health, a big step forward would be achieved if appropriate living facilities were made available to the thousands who cramped together, now have to share rooms that do not give enough breathing space even for half the number of persons living in them.

When the cholera epidemic broke out, this was used as an excuse to postpone the opening of Hongkew, Yangtszepoo and Wayside. Now, months already have passed and with it the cholera epidemic, but the Japanese authorities have not yet made any announcement as to when they would permit the Chinese populace to return to their homes, many of which are now shattered.

The trouble is that, whereas the spokesmen in Tokyo cannot often enough repeat how friendly their country feels towards the poor "oppressed" Chinese and what a very fervent brother-love they have for them, their military confreres do not seem inclined the same way.

Thus still, day after day one hears of peasants injured by Japanese soldiers, being brought into the Settlement for hospitalization, while in Tokyo high-sounding words of assistance executed to the distressed millions in this country are eagerly gulped up by a cheated nation.

It is high time that districts north of the creek be thrown open. If the Japanese should consider it necessary to take over the policing job of certain limited districts in which establishments of military importance are housed, the Municipal Council will hardly be able to object. Did not the Japanese have regular blue-jacket patrols on the streets ever since 1932?



NOV 8 1938

Many new Japanese recruits have been engaged by the S. M. Police, presumably so that they may be used in policing the northern districts for and on behalf of the International Settlement, always of course, in conjunction with foreign officers on that force.


Are not the Japanese betraying themselves by keeping the districts in question closed to the Chinese? By far the greater portion of Japanese merchants in this city have their business establishments in Hongkew and just as all European and American businessmen who came here to make their living, there is no doubt that the sons of Dai Nippon intend to cater principally to the Chinese element.

If the Chinese are not even permitted to cross the bridge, how can they be expected to spend their hard-earned money for Japanese manufactured goods?

It is about time that the military and naval authorities on the other side of the creek give away to their colleagues of the consular service, who have enough common sense to know that near-normalcy in this city can only be re-established once the sons of this soil who fortunately are in the vast majority will not be hampered in their movements.

Notwithstanding their actions which went to the contrary, the Japanese military are very eager to create a good impression abroad. Would they not be giving the finest example of their good-heartedness by opening to the general public, districts which, strictly speaking, belong to the Shanghai Municipal Council of which body the Japanese have the privilege to be members?

Maybe a stronger attitude on the part of foreign powers interested in the welfare of this city, will eventually decide the uniformed Japanese, to give way to common sense? Let's hope so anyw y.



MEMO.

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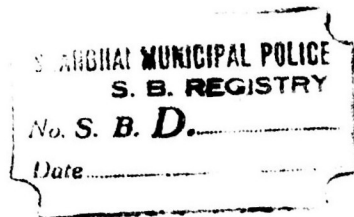
See

Information

The Robertson

D. C. Special Branch.

October 27, 1938.



NIPPO

ANOTHER JAPANESE DEPUTY COMMISSIONER TO BE APPOINTED
TO CONTROL AREA NORTH OF SOOCHOW CREEK

It is reported that on October 26, as a result of conferences held with the Japanese authorities, the Shanghai Municipal Council has agreed to engage another Japanese as Deputy Commissioner whose duty will be principally to exercise control and administrative authority over the area on the north side of Soochow Creek. It appears that the appointment will be made when conditions in the area have returned to normalcy.

It is said that a Japanese with experience in police administration and other high qualifications will be selected.

In view of the "barter system" adopted by the Municipal Council and the Japanese authorities, Japan will enjoy an additional preferential privilege. As an outcome of the system, Japanese will be appointed to high positions. In accordance with the memorandum presented to the Municipal Council at the beginning of this year by the Japanese authorities, Mr. Akagi has been appointed Deputy Commissioner.

The Police authority over the area on the north side of Soochow Creek is not restricted. The Shanghai Municipal Council has seen its Chinese Constables smoothly carrying out their duties in Yangtszepoo and Hongkew districts during the past month. At previous conferences between the Japanese authorities and the Shanghai Municipal Council the first memorandum presented by Japan was agreed to by the Council. The Japanese requested that the Municipal Council appoint Japanese to high positions in the service. At a recent conference the appointment of high Japanese police officers

Dec 8 '38
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to the north of the Soochow Creek, especially the appointment of another Japanese Deputy Commissioner to be vested with equal authority as foreign officers, was decided upon. This will not only make the police administration of the Shanghai Municipal Council work more smoothly and with greater efficiency, but will enable both the Japanese authorities and the Shanghai Municipal Council to settle local affairs amicably. In view of this, the Shanghai Municipal Council has decided to appoint Japanese to high positions.

SHANGHAI TIMES.

OCT 26 1938

Discussions By Japanese And Council

Agreement In Principle
To Appointment Of
High Official

HOPE THAT JAPANESE
WILL RECIPROCATE

Development Seen As Very
Important Step Ahead
In Conversations

It was learnt here yesterday in authoritative quarters that the Shanghai Municipal Council has agreed in principle to the appointment of a Japanese Assistant Commissioner of Police to serve in the districts north of Soochow Creek. This agreement, it is believed, will be fully realized when the Japanese reciprocate by making some move in facilitating the restoration of normality in the areas in question.

The Council is said to have reserved the right to judge whether or not the man which the Japanese might put up for the position is qualified. During the course of recent conversations between the Council and the Japanese, it is understood, the former made it clear that a man who is made an Assistant Commissioner in the police should have had a great deal of experience in this sort of work.

Next Move Awaited

In view of the fact that the Council and the Japanese authorities have now established a sort of "barter system" it is believed that the latter will make the next move. This procedure was established early this year following the first memorandum handed to the Council by the Japanese. In due course the Council agreed to appoint Mr. C. Akagi as Special Japanese Deputy Commissioner, and this was followed by the granting of certain concessions by the Japanese.

Among other things, the police

were informed that there was no longer any objection to their maintaining a limited force of Chinese constables in Hongkew and Yangtzepoo, and some months later the district police stations there resumed the practice of detaining prisoners as under normal conditions.

In reviewing the course of the conversations between the Japanese and the Council it is stressed that the nature of the first Japanese memorandums must be understood. In a number of local news reports it was stated that they had asked for "controlling positions" in certain branches of the Council, whereas they had actually asked for "high positions."

Importance Of Question

The importance of the difference between these two interpretations, it is revealed, has been clearly shown in the recent conversations regarding the appointment of a new Japanese police officer to function in the Northern areas. If a Japanese Assistant Commissioner is appointed, it is revealed, he will work with a foreigner of equal rank.

It is believed that the question of appointing two high Japanese police officials to function in the northern areas was brought up during the discussions, but that it was generally agreed that this would serve no useful purpose. In any event, the Council's willingness to agree to the appointment of another Assistant Commissioner may lead to further steps on the part of the Japanese to assist in the settlement of one of the most important local questions of the day.

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CHINA PRESS.

OCT 22 1938

Equal Basis In "Round Table" Talk Stressed

Greene Discusses Akagi
Scheme In "China
Weekly" Broadcast

Good could be gained from a "round table conference," as suggested by Mr. C. Akagi, Special Japanese Deputy Commissioner of Police, in an exclusive interview with THE CHINA PRESS on Wednesday, only if all parties participated on an equal basis, including the Chinese, declared Mr. George H. Greene, President of the American Junior Chamber of Commerce, when he was questioned during the course of the China Weekly Review's regular Friday night broadcast over Station X.M.H.A. last night.

"The prerequisite of such a conference would be that the Japanese should not come into it as victors in the local hostilities, but merely as parties to the treaties on equal basis with all other nations interested therein," he added.

Mr. Greene declared in the broadcast that America had had an increased volume of trade with China during the past few years. Many American industries had depended on the normal continuance of that trade and Americans in Shanghai or their agents by which that trade was being carried on.

Keep U. S. Informed

He believed that American traders in China should keep their principals at home fully informed how American rights were being violated, and that the natural effect of such information should be increased pressure in the direction in which it would do most good.

Mr. Greene continued that the recently formed American Association was keeping Washington informed as to developments in China, while American firms individually were keeping their principals informed.

"Holding Up Trade"

"Obviously," declared Mr. Greene, "what is holding up trade, is the closure of markets in the interior because Japanese are in occupation of the territory along the Yangtse River and are preventing the ingress of ships and the return of business men to their stations in the interior."

"At the same time," he observed, "Japanese are freely importing their goods and are permitting their own business men to go in, thus creating a monopoly for their own benefit."

"Shanghai, of course, depends on a volume of through trade for its prosperity, and normal conditions will not return until foreign ships call at this port and markets are re-opened in the interior," he said.

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International Parley On S.M.C. Urged By Japan Police Official

Special Japanese Police
Chief Says Agreement
Is Urgently Needed

**ALL PARTIES ARE
ANXIOUS FOR PACT**

**"Curtain Is Ready To
Be Raised, But Pull
Is Lacking"**

By C. W. TOMBS

"If any solution is to be reached on problems which have been raised during the last year in Shanghai, it must be reached by a roundtable conference with each and every power represented, and with the co-operation and presence of delegates from various national and residents' association here," Special Deputy Police Commissioner C. Akagi told THE CHINA PRESS yesterday.

"Guiding such a conference," he added, "there must be a spirit of understanding, sincerity and confidence, with the aim of the greatest good for the whole city."

This opinion was given by Mr. Akagi during a discussion on the current negotiations which have been proceeding between the various Japanese authorities, the Shanghai Consular Body and the Shanghai Municipal Council on a number of outstanding issues.

Deadlock Reached

"A virtual deadlock has been reached," he said, "because each party is waiting for the other party to act first in its concessions. What must be sought is a means whereby these concessions will be made simultaneously."

"Apart from the appointment of my own post as Special Deputy

Commissioner of Police, which was a primary necessity for the opening of negotiations between the Council and the Japanese authorities, and the agreement of the Japanese authorities to allow the entry of a certain number of Chinese police into the area north of the creek, no progress has been made towards an agreement.

"On the Japanese side, certain requests have been made to the Council, notably for greater Japanese representation in the Police Force. For the granting of these, assurances have been given that the Japanese authorities would restore the area north of the Creek to the S.M.C. These requests have, as it is already well-known, been modified from time to time as the result of friendly negotiation."

Stage Is Set

"For the Council's part, an understanding has been given that the Japanese requests would be given formal recognition the moment the disputed areas have been restored to its jurisdiction."

"In short, each is waiting for the other to act first, and there does not appear to be any immediate hope of an ending to the deadlock."

"The stage is set, we have all rehearsed our parts, the audience is eager for the play to begin ...



OCT 20 1938

but there is no one to pull up the curtain.

Urgent Necessity

"This," Akagi declared, "is my personal opinion, and must not in any way be regarded as official opinion. In conversations with the Commissioner of Police and other officials of the Council, all that I have heard is agreement that the reopening of the areas north of the Creek is an urgent necessity for the preservation of trade in Shanghai.

"Similarly, in talking with Japanese officials, I have heard only that opinion. Army, Navy, Consular and civilian bodies have laid stress on this again and again, and I have not the slightest doubt that any plan which might hasten a return to normality in Hongkew, Wayside and Yangtszepoo would meet with their unreserved approval.

"It must be remembered however, that there are more issues to be settled than that of policing the district, and on those other issues, I am not qualified to speak. But even taking those other and wider issues into consideration, I am certain that the calling of an all-power, all-representative conference, embracing official, commercial and social interests in Shanghai, would be able to reach and amicable agreement on the subject in a short time."

Needs Of Every Class

The reporter asked Commissioner Akagi whether the Japanese would insist, in the event of such a conference being called, on the presence of representative of the "Provisional Government."

"That is quite a problem," he observed, at the same time agreeing that such an insistence at the outset would so embarrass diplomatic representatives, that the conference would be impossible.

"What is needed is greater understanding—a higher spirit of co-operation. The needs of every class must be considered," he pointed out.

"Would you go so far as to express the belief that the Japanese would agree to representation at such a conference of Shanghai Chinese bodies—such as the leading Chinese Ratepayers' Association?" he was asked.

Livelihood Of Millions

"I feel certain they would," replied Mr. Akagi. "It cannot be denied that the livelihood of millions of Chinese people in Shanghai is dependent on a resumption of industry in the northern and eastern areas, and that is one of the most compelling factors in the Japanese desire for a return to normality north of the creek.

"It is surprising to Japanese civilians," Mr. Akagi concluded, "that foreign civilian residents in Shanghai have given such little voice to their opinions in a matter which is so vital to the existence of commerce here. Public opinion is the most strongly accelerating power there is on official action, and perhaps a little of it among foreigners would do no harm."

Ta Mei Pao :- 20-10-38 AM

MR. AKAGI, SPECIAL DEPUTY COMMISSIONER OF POLICE,
INTERVIEWED

Despite repeated negotiations between the S.M.C. and the Japanese authorities over the question of the policing of the districts north of the Soochow Creek in the International Settlement, no definite arrangement has yet been reached.

When interviewed yesterday by a reporter of a certain local foreign newspaper, Mr. Akagi, the Japanese Special Deputy Commissioner of Police, made the following statement :-

"In order to bring about a solution of the question of police rights over the districts north of the Soochow Creek, a round table conference should be held at which representatives of all Powers should be present and at the same time co-operation should be secured from the representatives of all local foreign residents' associations. All those present should have a clear understanding of one another and should be frank and sincere in the negotiations. It is only by this means that all outstanding issues can be amicably settled. So far as I understand, no result has been reached in the negotiation between the S.M.C. and the Consular Body on the one hand and the Japanese authorities on the other and both parties are now adopting a wait-and-see policy. Each side is waiting for a compromise from the other. The S.M.C. is planning to detail a number of Chinese policemen to the north of the Soochow Creek to resume police duties, while the Japanese authorities insist on an increase in the strength of the Japanese Branch. As a result of the negotiations in the past, the Council has agreed to increase the strength of the Japanese Branch only after the Japanese authorities have handed over to the S.M.C. the policing of the districts north of the Soochow Creek, but the Japanese authorities insist that the increase should be made first. The negotiations thus had no result and it is difficult to say when the deadlock will be removed."

In conclusion, Mr. Akagi stated that all he had just said represented his private opinion and not as an official view. He added, however, that he was in agreement with other Council officials that in order to bring about the revival of Shanghai, it was necessary that the districts north of the Creek should be opened to the public.

**Japanese Nominee
For High SMP Post
Reaches Shanghai**

Mr. Chikayugi Akagi, the official Japanese nominee for the post of special deputy commissioner of the Shanghai Municipal Police, arrived here yesterday aboard the Shanghai Maru.

He was greeted at the wharf by officials of the Shanghai Municipal Council and the Japanese

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19 MAY 1939
SPC

DESCENDING
OFFICE

Japanese Aver S.M.C.'s Reply On Recent Request Is Held Unsatisfactory

Formal Notification Contained In Letter Is Handed
Personally To Chairman Of Council By Consul-
General For Japan; Reconsideration Asked

JAPANESE POLICE OFFICER SUGGESTED AS SPECIAL DEPUTY COMMISSIONER

The Shanghai Municipal Council was formally notified yesterday by the Japanese consular authorities here that its stand on increased Japanese participation in municipal administration was regarded as unsatisfactory.

The notification was contained in a letter handed personally to Mr. C. S. Franklin, Chairman of the Council, by the Japanese Consul-General, Mr. Shinrokuro Hidaka.

The letter voiced Mr. Hidaka's appreciation of the "careful consideration" given by the S.M.C. to the Japanese requests, but regretted the Council's refusal to accede to some of the proposals.

The letter said the Japanese authorities expected the Council to reconsider its position and "to meet our desires fully when the present tense situation is mitigated" and the Council's financial condition improved.

List Of Requests

Appended to the letter was a list of requests for changes in the municipal police force. These included:

1.—Immediate appointment of a Japanese officer as a Special Deputy

Commissioner, who shall be next in rank and status to the Commissioner of Police and have the authority to command and supervise the whole Japanese staff and to participate, representing Japanese interests, in the general administration of the Municipal Police.

2.—Immediate appointment of a Japanese officer as an Associate Divisional Officer in the "C" Division (Hongkew) who shall have the rank of Assistant Commissioner.

3.—Appointment, "as soon as possible" of another Japanese officer, with the rank of Assistant Commissioner, as Associate Divisional Officer in the "D" Division (Yangtze-poo).

4.—Hope was also expressed for the appointment of Japanese officers in charge of police stations having to do with Japanese interests.

The Japanese memorandum noted the Council's undertaking to fill the vacancies in the Japanese branch without delay.

Gratifying Feature

The memorandum also noted with gratification the Council's delineation of the duties and privileges of the Japanese Deputy Secretary of the Council.

The memorandum took especial note of the Council's intention to afford the Japanese Deputy Secretary extended facilities, including attendance at important conferences at which matters affecting the Japanese community in any way are discussed.

In announcing the terms of Mr. Hidaka's letter, a spokesman for the Japanese Embassy said last night that the question of the return of northern areas to municipal control is not considered by the Japanese authorities or the Municipal Council as a *sine qua non* for the Council's acceptance of the Japanese requests.

This part, he said, is clearly understood by the Council.

Council's Memorandum

The Council's memorandum, released to the local press on March 21, read in part:

The Council... "urges upon the Japanese authorities that simultaneously with the changes which the Council is prepared to make in its organization to meet the requests of the Japanese community, the Japanese authorities should assist the return to normal conditions by taking all practicable steps to restore full Council control in the area north of the Soochow Creek at the earliest possible time."

The impression created by this press release that the return of the northern areas to municipal control was a condition for the Council's acceptance of the Japanese proposals "is incorrect," the spokesman emphasized.

Handwritten notes and signatures at the bottom right of the page, including a large "7/4" and a circular stamp.

Japanese Not Satisfied With S.M.C. Stand

Hidaka Makes Further Requests In Letter To Franklin

The stand of the Shanghai Municipal Council upon increased participation of Japanese in the municipal administration of the International Settlement has failed to meet the approval of the local Japanese consular authorities.

In a letter addressed personally to Mr. C. S. Franklin, chairman of the Shanghai Municipal Council, by Japanese Consul-General S. Hidaka, yesterday, Japanese dissatisfaction of the S.M.C. stand was officially expressed.

The letter voices Mr. Hidaka's appreciation of the "careful consideration" given by the S.M.C. to the Japanese requests, but regretted the Council's refusal to accede to some of the proposals.

The letter said the Japanese authorities expected the Council to reconsider its position and "to meet our desires fully when the present tense situation is mitigated" and the Council's financial condition is improved.

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Wrong Impression

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S.M.C. To Employ More Japanese In Police Department

**Council Announces Proposed Changes In Police
Force. Further Appointment Of High Official
In Secretariat Deemed Unnecessary**

AMALGAMATION OF FOREIGN AND NIPPON POLICE BRANCHES SAID NOT PRACTICABLE

While refusing to admit that the municipal administration as at present constituted has shown inefficiency, the Shanghai Municipal Council, in its reply to the Japanese Consul-General's various demands presented on January 4, 1938, readily offers to co-operate with the responsible Japanese authorities on all matters relating to the welfare of the Japanese community in Shanghai.

The Council's statement touches carefully on all the specific points raised by the Japanese Consul-General, particularly with regard to the future composition of the Police Force. The Council does not deem it practicable at the present time to amalgamate, as suggested, the foreign and Japanese branches of the Police Force. In its stead the Council proposes to abolish the designation "Japanese Branch" and to establish two sections, the foreign branch as section No. 1 and the Japanese branch as section No. 2. Close co-operation will be effected between the two sections, with members of section No. 2 ultimately being admitted to section No. 1 when their ability to take part in the work of this section has been fully proved.

The Council raises no objection to the appointment of another Japanese Deputy Commissioner for the north of the Creek area, provided that such officer has sufficient command of the English language and sufficient police experience to justify his appointment to this high rank. It also proposes to increase the strength of the Japanese branch from its present quota of 266 to 300, provision for this change having been made in the year's budget.

From a general point of view the Council is not in favor of carrying out drastic changes in the Police Force except in gradual stages, with each step fully justified before another is attempted.

With regard to the Secretariat the Council does not think it necessary to appoint another high official to this department at the present time. The present Japanese Deputy-Secretary has direct access to all the heads of the administration and is in a position to keep the interests of the Japanese community constantly before the notice of the Council.

Text Of Statement

The complete text of the Council's reply follows:—

"The Shanghai Municipal Council on Friday, March 18, delivered to the Japanese Consul-General the Council's reply to the various requests presented on January 4, 1938, in regard to the municipal administration.

"The Council does not admit that the municipal administration as at present constituted has shown inefficiency. None the less, the Council recognizes and regards sympathetically the desire of the Japanese community for greater participation in the Council's administration. In order to meet this desire for greater participation in the administration the Council considers that the requests made in regard to the Police Force should be met as far as is possible without any impairment of efficiency. The Council, however, stresses that the principle of partnership applies to the whole Settlement and not merely to one part of it, and consequently urges upon the Japanese authorities that simultaneously with the changes which the Council is prepared to make in its organization to meet the requests of the Japanese community, the Japanese authorities should assist the return to normal conditions by taking all practicable steps to restore full Council control in the area North of the Soochow Creek at the earliest possible time.

Amalgamation Impracticable

"The Council does not consider it practicable to amalgamate forthwith, as was suggested, the Foreign and Japanese Branches of the Police Force. Apart from the financial aspect of such a change, it would be impossible to make a combined gradation list based on rank, seniority and qualifications without chaotic results. Furthermore, a large number of the Japanese Branch have not the requisite knowledge of English to make it possible for them to do the work at present done by members of the Foreign Branch. A number, however, of selected men could, it is considered, do the work after a period of instruction, and in order to meet the requests made in a practicable manner it is proposed that the designation "Japanese Branch" be abolished and that the new Foreign Branch be divided into two sections, members of the present Foreign Branch becoming No. 1 Section and members of the present Japanese Branch becoming No. 2 Section. As members of No. 2 Section, after trial and experience, show their ability to take part in the general work of No. 1 Section they would be transferred to that Section, and the ultimate aim would be that the two sections

would become one. Since the REGI in the words of the memorandum presented to the Council by the Japanese Consul-General, Japanese members of the Force would be given an equal opportunity for participating in the functions of all branches of the police administration, and would also have the authority to exercise control and supervision over Indian and Chinese members of the Force and also over foreigners according to rank.

Probationary Sergeants

"The Council considers that there is no objection to the proposal made that the initial appointment of Japanese to the Police Force be appointments as Probationary Sergeants and not as Constables. The rank of Sergeant would be accorded, in conformity with the present practice in the present Foreign Branch, after three years' service subject to the passing of a qualifying examination of an agreed standard.

"The Council states, that there are no objections to Japanese members of the Police Force being identified with the conduct of investigations in all cases involving Japanese interests, provided that they are subject to the general system of control centered in the Crime Branch.

"The Council further has no objections to the appointment of another Japanese officer as a Special Deputy Commissioner, provided that such officer has police experience in keeping with his rank and has a thorough knowledge of English. Such an officer would, of course, be in a position to place his views on general policy before the Commissioner of Police from time to time.

Another Japanese Commissioner

"The Council considers that the proposal made that the Japanese Deputy Commissioner be given charge of that part of the International Settlement which lies North of the Soochow Creek requires careful consideration. Under the present system, "C" and "D" Police Divisions are controlled by Divisional Officers directly responsible to the Deputy Commissioner (Divisions), and the appointment of the Japanese Deputy Commissioner over these Divisional officers would disrupt the control work of the Deputy Commissioner (Divisions). The Council considers that the real aim could better be met by the nomination and appointment of a further Japanese officer, with police experience in keeping with his rank and with a knowledge of English, to be placed as Associate Divisional Officer in "C" Division to work with the Divisional Officer with the special object of attending to Japanese interests and of studying and assimilating police methods in the Settlement with the view of ultimately assuming a definite responsibility in the general administration. At a later date it might be found possible to appoint a second officer with the same object in view.

"It is pointed out that the present authorized strength of the Japanese Branch is 316, though owing to recent financial conditions the actual strength is only 266. The Foreign Branch is similarly considerably under authorized strength. In this year's budget provision has been made to increase the strength of the Japanese Branch to 300.

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Importance Of Gradual Changes

"The Council's reply stresses in general in regard to the Police Force the importance of only gradual changes. It is pointed out that the various requests made to increase the strength of the Japanese Branch have been met as far as has been found from time to time practicable without lowering the efficiency of the Force by changes likely to weaken its framework. In 1925 the strength of the Japanese Branch was 3 Sub-Inspectors, 17 Sergeants and 37 Constables, while in 1937 it was 1 Deputy Commissioner, 1 Assistant Commissioner, 7 Inspectors, 12 Sub-Inspectors, 61 Sergeants and 242 Constables.

"It is pointed out how the Police Force, which came into being as early as 1853 with a small number

of British personnel, has had introduced into it Chinese Constables, Sikh policemen and a Japanese Branch. Throughout the growth and development of the Police Force English has been the official language, and it has only been possible to appoint to the senior controlling posts officers with a thorough knowledge of English. The Force, composed as it is of various nationalities, is only manageable now on account of the special character that has been given to it, and any sudden change in the form of control is considered likely to render it unmanageable.

"The hope is expressed that, remembering all the difficulties, it will be appreciated that the Council is offering to go a considerable way at the present time to meet legitimate aspirations for greater Japanese partnership in the administration of the Police Force.

Question On Secretariat

"In regard to the Secretariat it is pointed out that not more than one person can function at the head of this department, which is an essential part of the municipal administrative machinery.

"It is considered that there is no justification for the appointment of a further high official to the Secretariat at the present time. The present Japanese Deputy Secretary has direct access to both the Chairman and the Secretary-General and can communicate directly with heads of departments in all matters affecting Japanese interests. It is, however, readily agreed that the Japanese Deputy Secretary should attend all important conferences at which matters affecting the Japanese community in any way are discussed or decided, and it is further pointed out that he is, of course, also entitled to be kept informed in regard to all aspects of the municipal administration, whether particularly affecting the Japanese community or not. It is considered that any change in rank would be an embarrassment as giving an impression of dual control in an important Council department.

"In conclusion, it is again emphasized that the proposals contained in the Council's reply are made with a genuine and sympathetic desire to meet legitimate Japanese aspirations."

S.M.C. Reply To Japanese Requests With Regard To Shanghai Administration

Council Does Not Admit Present System Shows Inefficiency But Is Prepared To Meet Certain Wishes Of The Japanese

URGES FULL COUNCIL CONTROL NORTH OF CREEK AS EARLY AS POSSIBLE

The Shanghai Municipal Council on Friday, March 18, delivered to the Japanese Consul-General the Council's reply to the various requests presented on January 4, 1938, in regard to the municipal administration, says a statement issued yesterday.

The Council does not admit that the municipal administration as at present constituted has shown inefficiency. None the less, the Council recognized and regards sympathetically the desire of the Japanese community for greater participation in the Council's administration. In order to meet this desire for greater participation in the administration the Council considers that the requests made in regard to the Police Force should be met as far as is possible without any impairment of efficiency.

The Council, however, stresses that the principle of partnership applies to the whole Settlement and not merely to one part of it, and consequently urge upon the Japanese authorities that simultaneously with the changes which the Council is prepared to make in its organization to meet the requests of the Japanese community, the Japanese authorities should assist the return to normal conditions by taking all practicable steps to restore full Council control in the area North of the Soochow Creek at the earliest possible time.

Police Organization

The reply of the Council then proceeds to touch upon the specific point raised in regard to the Police Force.

The Council does not consider it practicable to amalgamate forthwith, as was suggested, the Foreign and Japanese Branches of the Police Force. Apart from the financial aspect of such a change, it would be impossible to make a combined graduation list based on rank, seniority and qualifications without chaotic results. Furthermore, a large number of the Japanese Branch have not the requisite knowledge of English to make it possible for them to do the work at present done by members of the Foreign Branch. A number, however, of selected men could, it is considered, do the work after a period of instruction, and in order to meet the requests made in a practicable manner it is proposed that the designation "Japanese Branch" be abolished and that the new Foreign Branch be divided into two sections, members of the present Foreign Branch becoming No. 1 Section and members of the present Japanese Branch becoming No. 2 Section. As members of No. 2 Section, after trial and experience, show their ability to take part in the general work of No. 1 Section they would be transferred to that Section, and the ultimate aim would be that the two sections would become one.

Equal Opportunity

In this way, in the words of the memorandum presented to the Council by the Japanese Consul-General, Japanese members of the Force would be given an equal opportunity for participating in the functions of all branches of the police administration, and would also have the authority to exercise control and supervision over Indian and Chinese members of the Force and also over foreigners according to rank.

Rank Of Sergeant

The Council considers that there is no objection to the proposal made that the initial appointment of Japanese to the Police Force be appointments as Probationary Sergeants and not as Constables. The rank of Sergeant would be accorded, in conformity with the present practice in the present Foreign Branch, after three years' service subject to the passing of a qualifying examination of an agreed standard.

The Council states that there are no objections to Japanese members of the Police Force being identified with the conduct of investigations in all cases involving Japanese interests, provided that they are subject to the general system of control centred in the Crime Branch.

Special Deputy Commissioner

The Council further has no objections to the appointment of another Japanese officer as a Special Deputy Commissioner, provided that such officer has police experience in keeping with his rank and has a thorough knowledge of English. Such an officer would, of course, be in a position to place his views on general policy before the Commissioner of Police from time to time.

The Council considers that the proposal made that the Japanese Deputy Commissioner be given charge of that part of the International Settlement which lies North of the Soochow Creek requires careful consideration. Under the present system, "C" and "D" Police Divisions are controlled by Divisional Officers directly responsible to the Deputy Commissioner (Divisions), and the appointment of the Japanese Deputy Commissioner over these Divisional Officers would disrupt the control work of the Deputy Commissioner (Divisions). The Council considers that the real end could better be met by the nomination and appointment of a further Japanese officer, with police experience in keeping with his rank and with a knowledge of English, to be placed as Associate Divisional Officer in "C" Division to work with the Divisional Officer with the special object of attending to Japanese interests and of studying and assimilating police methods in the Settlement with the view of ultimately assuming a definite res-

ponsibility in the general administration. At a later date it might be found possible to appoint a second officer with the same object in view.

Strength Of Japanese Police

It is pointed out that the present authorized strength of the Japanese Branch is 316 though owing to recent financial conditions the actual strength is only 266. The Foreign Branch is similarly considerably under authorized strength. In this year's budget provision has been made to increase the strength of the Japanese Branch to 300.

The Council's reply stresses in general in regard to the Police Force the importance of only gradual changes. It is pointed out that the various requests made to increase the strength of the Japanese Branch have been met as far as has been found from time to time practicable without lowering the efficiency of the Force by changes likely to weaken its framework. In 1925 the strength of the Japanese Branch was three Sub-Inspectors, 17 Sergeants and 37 Constables, while in 1937 it was one Deputy Commissioner, one Assistant Commissioner, seven Inspectors, 61 Sergeants and 424 Constables.

Use Of English

It is pointed out how the Police Force, which came into being as early as 1853 with a small number of British personnel, has had introduced into it Chinese constables, Sikh policemen and a Japanese Branch. Throughout the growth and development of the Police Force English has been the official language, and it has only been possible to appoint to the senior controlling posts officers with a thorough knowledge of English. The Force, composed as it is of various nationalities is only manageable now on account of the special character that has been given to it, and any sudden change in the form of control is considered likely to render it unmanageable.

The hope is expressed that, remembering all the difficulties, it will be appreciated that the Council is offering to go a considerable way at the present time to meet legitimate aspirations for greater Japanese partnership in the administration of the Police Force.

The Secretariat

In regard to the Secretariat it is pointed out that not more than one person can function at the head of this department, which is an essential part of the municipal administrative machinery. It is considered that there is no justification for the appointment of a further high official to the Secretariat at the present time. The present Japanese Deputy Secretary has direct access to both the Chairman and the Secretary-General and can communicate directly with heads of departments in all matters affecting Japanese interests. It is, however, readily agreed that the Japanese Deputy Secretary should attend all important conferences at which matters affecting the Japanese community in any way are discussed or decided, and it is further pointed out that he is, of course, also entitled to be kept informed in regard to all aspects of the municipal administration, whether particularly affecting the Japanese community or not. It is considered that any change in rank would be an embarrassment as giving an impression of dual control in an important Council department.

In conclusion, it is again emphasized that the proposals contained in the Council's reply are made with a genuine and sympathetic desire to meet legitimate Japanese aspirations.

POWERS OPPOSE S.M.C. CHANGES DEMANDED BY JAPANESE

Lords Debate China Affairs: Customs Integrity
Maintained Though Funds Detained

EFFORTS MADE TO EASE LOCAL RESTRICTIONS

London, Feb. 15.

THE British French and American authorities have agreed to support the Shanghai Municipal Council in opposing Japanese attempts to interfere with its functions or to alter the character of the administration," declared Lord Plymouth, Under-Secretary of State for Foreign Affairs, in the first Parliamentary debate hitherto devoted exclusively to the present situation in China in the House of Lords to-day.

There was some force, he said, in some of the Japanese contentions, and there was a large measure of agreement that their representation on the administration was hardly commensurate with their numbers and interests. That matter was under consideration; but the Japanese claim for increased representation on the Council itself was quite a different matter. The Council was an international body and not under the control of any particular government.

The debate was initiated on a motion by Lord Elibank, formerly President of the Federation of Chambers of Commerce of the British Empire, who drew attention to the magnitude of British trade investments in China, which precluded the taking of a passive attitude towards events in the Far East.

He did not wish, he said, to be provocative either towards Japan or China.

After commenting on Japan's problem of over-population and lack of raw materials, he declared that China's population problem was just as acute as Japan's, and it was not surprising that she resisted when the Japanese "forcibly deprived her of land and laid her land to waste."

He, however, sympathized with Japan on the question of Soviet Russia, which was trying to impress Communism on China. "Japan cannot look upon this without anxiety."

Japanese ambitions, Lord Elibank continued, were directed towards Chinese trade in such a way as to squeeze out all other competition. He quoted as examples the position in Manchoukuo and the recent discriminatory import duties decided upon by the "Government" at Peiping.

Shanghai Actions Deplored

Moreover, he added, Japan's actions in and around Shanghai "are most reprehensible and, like sands on the seashore, are likely to leave a gritty taste in the mouth."

Shanghai is the centre, Lord Elibank said, for many thousands of millions sterling of foreign investments in various parts of China. Great Britain's share of investments in Shanghai alone was over £150,000,000.

If recent Japanese demands were granted, Japan would acquire complete control in the International Settlement, and its international character would be destroyed.

Any Power controlling Shanghai, the speaker declared, was able to injure the interests of other nations right into the centre of China, while the control of the Chinese Customs there would imply control of every other Customs station in the Yangtze Valley.

Lorn Elibank said that the Customs revenue in Tientsin and Tsingtao was being deposited in the Yokohama Specie Bank; and he asked what guarantee there was that the Japanese would not do the same with the Customs revenues in Shanghai and ultimately appropriate them for their own purposes.

Gen. Matsui's Threat

He recalled that Gen. Iwane Matsui, Commander-in-Chief of the Japanese forces in Central China, was reported to have stated that he was getting tired of long discussions and that he might be compelled to take over the Chinese Customs at Shanghai.

Lord Elibank asked what steps the Government was taking to secure British interests and to prevent an act of aggression which, if carried out, "would never be forgiven in Great Britain."

The speaker demanded that the Japanese troops occupying the northern and eastern parts of the International Settlement should be substituted by Municipal Police, and he protested against Japanese censorship.

Urging Anglo-American co-operation, Lord Elibank accused Japan of disregarding the ethics of war by laying waste territory occupied by her troops. He cited figures showing how trade had been affected by the war.

Japan, he said, was raising against her the public opinion of almost every nation. Even Italy and Germany could not, in their hearts, condone the way in which the war was being carried on. Japan had made it extraordinarily difficult for herself to raise finance abroad when in due course her resources become exhausted.

Government's Stand

In reply Lord Plymouth said that it had always been one of the Government's main duties to protect British interests in China. Usually action was taken in consultation with interested foreign governments, especially the French and American Governments.

Lord Plymouth said that efforts to arrange for "safety zones" with the Japanese had only partially succeeded, although undoubtedly something had been achieved.

British ships on the Yangtze and in Canton, he proceeded, had rendered invaluable assistance in the protection of foreign communities in the interior of China.

As regards trade, the hostilities had almost completely stopped shipping of the Yangtze. The Government was watching the question very carefully and closely, and was insisting that British merchantmen be allowed to resume their full trading rights as soon as the situation permitted.

Shanghai Restrictions

Regarding Shanghai, Lord Plymouth said that the restrictions under which some areas there were being reopened were extremely burdensome. The Government was doing its utmost to have them removed at the earliest possible date.

Dealing with the administration of the Chinese Maritime Customs, the Foreign Under-Secretary declared that the Government was working in the closest consultation with France and America. No remittances had yet been made from the customs

revenues deposited in the Yokohama Specie Bank in Tientsin to meet the services of foreign loans, and he understood that no remittance was likely to be made until the position of the Customs in Shanghai had been cleared up.

The position, Lord Plymouth stated, was undoubtedly very difficult and anxious, but so far the integrity of the actual Customs administration had been maintained.

Recent Japanese statements in Shanghai that they would not respect foreign obligations secured on the Customs were very disturbing. The Japanese had no right whatsoever to disregard the interests of foreign countries in these revenues.

Consultations With U.S.

Lord Plymouth denied that the censorship of foreign commercial telegrams had actually begun, although there was a press censorship. The Government had been in constant consultation with the United States on a great majority of the subjects discussed in the debate. Action was usually taken independently, but almost invariably on parallel lines.

Lord Strabolgi (Labour Opposition) said the Labour Party suggested that the Government should take action, even if other countries were not prepared to do so, in discouraging the shipment of munitions to Japan.

The Party also asked the Government to discourage any attempt to give financial assistance to Japan, and advocated an individual boycott of everything Japanese. He hoped this would spread throughout all countries. He believed that, in regard to China, public opinion in Britain was well ahead of the Government.

Public opinion to-day, Lord Strabolgi said, was represented by the dockers who were refusing to handle Japanese goods.

Speaking a second time, Lord Elibank said that he was sure the Government statement would allay, to a certain extent, the feelings of those who were anxious about matters in China.

The subject was then dropped.—
Reuter.

JAPANESE REQUEST TO S.M.C.

It is unfortunate that publicity in connection with the representations made to the Shanghai Municipal Council by Mr. S. Okamoto, Japanese Consul-General, regarding the desirability of greater participation by Japanese in the working of the Council should have created the impression that the Japanese are seeking the domination of that Administration, for such is not the case. The wording of the announcement dealing with the *demarche* stated that the Japanese were asking the Council to "place Japanese in controlling positions in all important organs of the Municipal Council" and it was from that wording that the assumption was made—not unwarranted on the surface—that the Japanese were demanding control. But this journal, as a consequence of direct inquiries to both sides, is assured that control, in the sense of assuming a position of superiority, is far beyond from what is within Japanese minds to request. Such a demand, if it were made and assented to, would destroy the international character of the Council and make it a Japanese directed administration. Clearly should it be understood that such a development is not envisaged or desired. But the substance of the representations made are, nevertheless, quite important, and perhaps the best way of interpreting them for public guidance is to state what has become a strongly-held Japanese viewpoint, even before the current Sino-Japanese hostilities brought about a train of events here which has thrown the whole subject into very strong relief and made its recurrence a matter of immediate concern. Beginning as an Anglo-American Settlement, the latter-day Foreign Settlement—over which the Municipal Council has administrative jurisdiction by virtue of the Land Regulations and by the delegation of powers vested in the Consular Body—has continued to develop administratively along Anglo-Saxon lines. Progressively has there been direct Chinese and Japanese identification with the administration, not only in the matter of representation on the Council itself but also in the employed administrative staff. Chinese have long since complained that that process has not gone far enough and the Japanese have been similarly dissatisfied. An attempt by the Japanese nearly two years ago to increase their elected representation was met by highly-organized opposition on the part of British interests, conducted, in certain quarters at least, in questionable taste and atmosphere. Be that as it may, the Japanese were rebuffed and made more than ever to feel that they were set somewhat apart from the rest of the foreign international community.

It is no secret that on many important matters of policy the inner counsels of the Council are taken among the Anglo-American heads and that others in the Council are later presented with proposals to which they are invited to acquiesce.

On certain matters there are, of course, consultations and an exchange of views, but the inner direction of affairs rests, by virtue of the nature of the executive personnel and the proportion of elected representation, mainly in the hands of Britons and Americans. Certain other nationalities besides Chinese and Japanese have not been altogether satisfied with this state of affairs, but the tribute is generally and deservedly made that there is commendable efficiency plus freedom from anything at all serious in the way of malpractice. Shanghai has a good Council and a high standard of probity among its public servants. But should the character of the administration remain as now so predominantly and almost exclusively Anglo-Saxon? Many will instantly reply that it should because of the preponderance of Anglo-Saxon interests among the foreign community. But where the balance of partnership is in process of change owing to important political and *de facto* developments it is not unwise to give serious and constructive thought to desires of greater participation on the part of rising interests. It is not domination or control which is now requested; it is a more proportionate share in the directive and executive functions—an extension of the co-operative basis which is the essential theory behind the Council's being. Rightly or wrongly, the Japanese feel that in the changed circumstances of to-day it would be to the mutual advantage of all if they were more closely consulted and given greater expression, the Council being better able

to handle the situation if co-operation with the Japanese were of a more intimate character. Thus they have suggested an increase in the number of Japanese members of the Police force together with an improved status and authority in that force, and the appointment of Japanese in executive positions in important Departments, not to secure control but to be given a greater measure of equality.

That is, so far as we have honestly gathered from both sides, the real meaning and purport of the representations made on Tuesday, and it is now for the Council and the Consular Body to give the matter careful consideration. The essential character of the Council would not be greatly altered, though, of course, there are important points calling for study. Just how successful would be the introduction of more Japanese executives functioning alongside and in collaboration with existing appointees is one of the matters exercising the thoughts of those concerned, but it is not regarded as an insuperable difficulty. How far an essentially Western type of administration could absorb more Eastern executive personnel without some measure of change is also to be pondered on, but the principle of greater participation and closer collaboration is, it ought to be recognized, not necessarily to the serious detriment of the existing Council, as some people have been inclined hastily to



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assume. All of us here in Shanghai have to realize that we can only get along together by facing facts, and if the Japanese feel that they are rightly entitled to a greater share in the administrative voice and if that greater share could be given without any endangerment of, or challenge to, existing interests then the necessity arises of giving constructive thought to that claim. It is not a matter for hasty decision nor for howling before one is hurt. Peace and prosperity in Shanghai depends upon the harmonious working together of all and also upon the community's ability to adapt itself to the changing vicissitudes and fortunes of its several parts. If the circumstances call for some measures of readjustment there should be no mere blind opposition. In the last analysis, Shanghai itself, and as a whole, is superior in its title to consideration to any one or two of its national communities. The international idea is the one of cardinal importance and the wise thing to do is to try to keep an international balance relative to each and every particular interest. Requests for a greater share—or, as the Japanese conceive it, a levelling up—need not be regarded as the doom of the international idea but, possibly, of its greater implementation. These thoughts are offered as a small contribution to an extremely important problem.

JAPANESE DEMANDS

THE aide-memoire which had been presented to the Shanghai Municipal Council by the Japanese authorities has been generally construed as a series of demands which, if accepted, would materially alter the status of the International Settlement—partly because of their wide implications and partly because of the circumstance in which they were presented.

It may be recalled that prior to the outbreak of hostilities in Shanghai there had been much agitation in the local Japanese press for a larger voice in the affairs of this community. Whether that agitation was a spontaneous one, fostered by those Japanese who were inclined to take a genuine interest in the municipal administration, or whether that agitation was engineered in anticipation of the subsequent developments, only historians may tell. It is safe to suggest that the movement once set on foot must have gained further momentum with the Japanese occupation of a portion of the International Settlement and large areas surrounding it.

The exact facts behind the Japanese agitation will have important bearings on the international frame of mind in which it may be received. If the aide-memoire were only an official presentation of Japanese aspirations which had been already expressed by the Japanese press in the early part of last year, it may find a more friendly reception in responsible quarters. If, on the other hand, the demands have been made on account of the present military success in a purely bilateral war between China and Japan, then they will take on a hostile complexion which is bound to find repercussions in the chancelleries concerned.

It may be pointed out that the International Settlement is a co-operative community among the various national groups represented on the Council. Its status cannot be subject to the fortunes of war between any of the nations participating in its administration, or between any one of such nations and China. If one nation should achieve victory at the conclusion of a war, the victor may reap its spoils from the other belligerent but not at the expense of the International Settlement. Such a view is likely to be held by the Powers to which the aide-memoire will be eventually referred.

On broad principles, however, there appears to be a long-felt need of adjusting the administration of the Council. For years the Chinese residents have desired a more active participation in the affairs of the International Settlement, and through a series of minor concessions they have been able to exercise a small voice in local problems. If the principle of taxation and representation had ever been adopted, the Chinese should have had many more councillors and enjoyed greater control over the administration.

In the wake of the Chinese endeavor to gain an equitable treatment, the Japanese began to demand increased representation on the Council. If the Japanese demands were based on the same principles as those of the Chinese, the question could be tackled without difficulty through diplomatic channels, and the public might readily accord them a sympathetic hearing. It is much to be regretted that, instead of waiting for a fitting opportunity to renew their attempt in the usual manner, the Japanese authorities have taken advantage of isolated incidents to press home their wishes. Pressure thus exerted can hardly be expected to accomplish as much as moral persuasion based on accepted principles of modern government.

Moreover, satisfaction of Japanese aspirations, if ever given by the Powers concerned, will have to be predicated on general principles in any event. The Council cannot give recognition to Japanese military success in considering the Japanese aide-memoire without impairing in a fundamental way the neutral status of the International Settlement and without creating a precedent which may prove inimical to the future of Shanghai.

By these considerations we do not propose to ignore the fundamental need of adjustment which time has brought about since the time when the Land Regulations were first conceived. The population of the Settlement and the extent of its area have grown and have outgrown the expectations of the early pioneers. It would be most unprofitable to pour new wine into an old bottle, and the Council would be rendering the community and posterity a distinct service if it should see fit to evolve a formula by which the legitimate aspirations of all national groups may be gratified to the detriment of none.

In our opinion the differentiation between the Chinese and foreign ratepayers should be done away with. If Shanghai is to remain an international community, it must be international in spirit as well as in name. The foreign residents must have a right to register their approval of the Chinese councillors, just as the Chinese must also have the prerogative to vote for the foreign councillors. It cannot be emphasized too strongly that what one councillor or a group of councillors, be they Chinese or foreign, may do in the name of the Council may affect all residents alike. The removal of this differentiation will facilitate co-operation and make the Council truly representative of the residents without discrimination.

If this suggestion should be adopted, the Japanese aspirations may be met to a considerable extent. A new

ratepayers' body will be then created, and by exercising a strong voice in its elections, the Japanese, like other residents, may directly control the policy of the Council, in respect to its personnel and other weightier matters.

It is readily admitted that, to bring about such a fundamental change as is here proposed, much opposition from vested interests may have to be overcome and the unanimous approval obtained from the various Powers concerned. And yet this change is certainly to be preferred to any arrangement or agreement which may have to be reached between Japan and the other Powers as the result of the aide-memoire in question.

In fact, the Council should utilise the occasion created by the Japanese aide-memoire to solicit the support of all the Powers to formulate a new policy of administration based on modern tenets of government. In this way the self-centered wishes of one particular group will be defeated by the united front of the other national groups. The ratepayers' body will become a true controlling organ of the residents, and there can be little justification for one group to claim a special position *vis-a-vis* the other groups.

In the past the Council lost more than one opportunity to take the needed initiative, but it is not yet too late for it now to come forward in a statesmanlike manner to put an end to a system whose usefulness has been reduced by time and will be further reduced in the course of time.

SHANGHAI'S SETTLEMENT FACED WITH MAJOR CRISIS

Japanese Demand Control of All Important Organs
of the Municipal Council

SUPPRESSION OF ANTI-JAPANESE GROUPS

SHANGHAI'S International Settlement was yesterday faced with one of the most serious crises of its history when a warning that the Japanese Expeditionary Force may be compelled to take steps, as occasion requires, to ferret out anti-Japanese elements in the Settlement was served on the Municipal Council.

Four high Japanese officials, representing the army, navy and the Foreign Office, called on Mr. C. S. Franklin, chairman of the S.M.C. The officials were Mr. Suemasa Okamoto, Consul-General, Colonel Sanetaka Kusumoto, representing General Iwane Matsui, commander-in-chief of the Japanese Expeditionary Force, Captain Risaburo Fujita, representing Vice-Admiral Kiyoshi Hasegawa, and Mr. Noritake Yoshioka, senior Japanese consul. For the S.M.C., Mr. Harold Porter, vice-chairman, Mr. Stirling Fessenden, Secretary-General, and Mr. Godfrey Phillips, secretary, were present.

Mr. Okamoto told Mr. Franklin that the Japanese authorities regarded the recurrence of anti-Japanese incidents as the result of the inefficacy of the Council's efforts to suppress anti-Japanese elements.

The Japanese Expeditionary Force, Mr. Okamoto said, is constrained to feel that the Municipal authorities lack earnestness or ability to meet the Japanese demand for the suppression of subversive elements.

The Japanese Expeditionary Force, the demarche emphasized, may be forced to extirpate the anti-Japanese groups from the Settlement, thus making it a safer place to live in.

Under these circumstances, the official said, The Municipal Council is requested to take appropriate measures to eradicate anti-Japanese elements and to exercise rigid control of anti-Japanese newspapers.

Two Demands

As an essential means to achieve the desired objectives, the Japanese authorities asked the Council to take the following steps:

- 1.—Increase the number of Japanese members of the S.M.P. and raise their status and authority; and
- 2.—Place Japanese in controlling positions in all the important organs of the Municipal Council.

In the course of the interview, Mr. Okamoto called Mr. Franklin's attention to the fact that in the Chinese newspapers of January 1, opposition has been declared to the formation of the Shanghai Citizens' Federation, by the General Labour Union, the Chinese Chamber of Commerce and the Special Citizens' Federation.

These organizations, Mr. Okamoto asserted, have long been engaged in anti-Japanese agitation. For this reason, Mr. Okamoto requested that the Council take immediate steps so that these bodies:

- 1.—Retract their statements and advertise their retraction in the press; and
- 2.—Be hereafter kept under rigid surveillance of the Municipal Council.

The Japanese authorities, Mr. Okamoto further informed Mr. Franklin, regard the recent anti-Japanese incidents in the Settlement as a matter of serious concern and regret.

In view of the importance of the proposals, Mr. Franklin made no immediate reply, promising to make a thorough study of the matter.

Questions by the Press

One of the journalists at yesterday's press conference, at which the Japanese demarche was read out, asked if the control of the press referred to meant all journals, and the spokesman replied that all were included, including the foreign language papers. Replying to another question whether any English language paper was directly referred to as having been delinquent in Japanese eyes, the spokesman said that he "would leave that to your judgement."

"Would the Japanese be prepared to exercise censorship over the foreign press?" asked another. "We would have to wait and see whether the Council has acted sufficiently."

Regarding Concession

"Has any protest been lodged with the French Concession authorities (the journalist referred to the recent murder of Mr. Loh Pah-hong) concerning anti-Japanese incidents?"

"There is no evidence to show," replied the spokesman, "that the victim of the assassination was killed solely because of his connection with the Special Citizens' Federation." (This group was specifically mentioned in the above statement as one over which the S.M.C. must exercise strictest supervision).

Another journalist asked whether a demarche would be lodged with the French Concession authorities regarding the suppression of anti-Japanese sentiments by the newspapers in the Concession to which the spokesman replied that the matter would have to be considered.

Referring to the second demand of the Japanese—that the Council place Japanese in controlling positions in all the important organs of the Municipal Council—the spokesman was asked if the "singular or plural" was intended in each organ. He replied: "The plural."

Foreign Consul Officials Study Aide Memoire

Decision On Nipponese Requests Rests With Home Gov'ts

Foreign consuls representing extraterritorial nations in Shanghai were yesterday urgently considering the Japanese memorandum placed before the Shanghai Municipal Council by the Japanese representatives during a conference Tuesday.

Mr. N. Aall, Consul-General of Norway and Senior Consul in the city, informed THE CHINA PRESS that he has received a communication from the Council embodying the various requests made upon the Settlement's governing body by the Nipponese authorities.

He revealed a meeting of the Consular Body is likely to be held in order to enable the various consuls to exchange their views regarding the Nipponese aide memoire. He pointed out, however, that time is needed for the consuls to study the request before reaching a definite decision on the matter.

Up To Home Governments

At the same time THE CHINA PRESS was informed by a high Council official that the decisions relating to the Japanese requests are most likely to be made by the various home governments, in Washington, London and other capitals.

The wide implications of the Nipponese aide memoire, which touches upon the interests of the United States, Great Britain and other nations having treaty rights in the city, make the matter an international instead of a purely local issue, it was pointed out.

A definite decision on the Japanese requests, which would involve not only a realignment of the Council's administrative personnel, but also to a large degree a readjustment of the policies and powers of the Council, rests today with the home governments, the reporter was informed.

The Council official pointed out that during the lengthy conversation Tuesday, the four S.M.C. representatives who took part in the discussions did not offer the Japanese delegates any reply on the latter's suggestions.

No Time Limit

The entire issue was left by the Japanese to the Council officials for comprehensive study. Contrary to unfounded reports, the aide memoire did not specify the date on which an answer is desired.

Observers pointed out here yesterday that as a result of the seemingly unlimited scope implied by one of the two Japanese requests, the issue raised by the Nipponese delegates will materially affect the status of the International Settlement in the event that the aide memoire is acted upon fully by the Council.

The Japanese request referred to by the observers reads: "Place Japanese in controlling positions in all the important organs of the Municipal Council."

The Japanese And The Council

TWO drastic demands were presented to the Chairman of the Shanghai Municipal Council by the Japanese Consul General in association with representatives of the Japanese Army and Navy, yesterday. These demands were:

1. An increase in the number of Japanese members of the Shanghai Municipal police, and the raising of their status and authority.

2. The placing of Japanese in controlling positions in all the important organs of the Municipal Council.

The first is a demand which should be considered entirely on its merits. If the employment of more Japanese Police with an improved status would contribute towards the maintenance of internal peace and order within the Settlement, there may be a great deal to be said for such a step. The real issue is whether this would be the result. We are living at the moment in a time of acute emergency, when feelings between the Chinese and the Japanese run extremely high. It is not to be assumed that this state of affairs will continue indefinitely. And it is questionable whether the engagement of more Japanese Police, without local experience, at this juncture, would in any way assist in curbing outrages of the kind which have been only too frequent during the past few weeks. If the existing Police Force, with its long experience of dealing with the local criminal element, cannot prevent such outrages, there is not the slightest reason to suppose that inexperienced Japanese constables would achieve any better results. On the same day that the text of the Japanese demands is published we read that a number of Chinese plainclothes men got into Taiyuan, and by a sudden attack with hand grenades killed more than 80 Japanese soldiers. Taiyuan is under an exclusively Japanese military administration. If such outrages could occur in these circumstances there is no reason to suppose that the employment of additional Japanese police in Shanghai would augment the efficiency of the existing Police Force.

THE second demand made by the Japanese is clearly *ultra vires*. The Settlement is an *international*, not a Japanese area. Its original title was Anglo-American. Its administration is governed by Land Regulations which have received international sanction. Its Executive Body, the Council, is elected by and responsible to, the Ratepayers, and is not authorized to make fundamental changes in the administration without their assent. The appointment of officers is a prerogative of the Council, "provided always that no officers shall be appointed for any longer period than three years, unless the said appointment, together with the salary appertaining thereto, be sanctioned by a public meeting of the electors duly convened." The heads of the various Municipal Departments are all under agreements, which cannot be broken by the Council or the ratepayers, without the payment of heavy damages. It is quite certain that if an Extraordinary General Meeting of the Foreign Ratepayers were called, they would refuse to displace the present heads of departments by Japanese. There is no warrant for such a change in an area where Anglo-American interests far exceed those of the Japanese, and where, today, it is more than ever necessary that the fundamental rights of the community should be upheld.

It would, however, appear to be superfluous to convene a meeting of Ratepayers to discuss this issue, which in reality lies outside the scope of their authority. The matter is one, not for the Council, or for the ratepayers, but for the Foreign Governments which have been instrumental in creating the Settlement, and whose interests would be permanently and adversely impaired by conceding the Japanese demand. Mr. Franklin's reply must obviously be a *non possumus*, and intimation that if the demand is intended to be taken seriously, it is a matter for international diplomacy, and not for the elected representatives of the ratepayers to handle.

It is to be hoped that before committing themselves irrevocably to a demand which strikes at the very root of representative government, the Japanese authorities will give the matter serious reconsideration. The initiative in forming the International Settlement, the administration, and the financing of the public utilities and most of the local industries, came from Britons and Americans, whose enormous investments in this area cannot be disregarded by any other Power. Assuming that it is desired to see Shanghai restored to its former pre-eminence as the commercial, industrial and shipping metropolis of China, it is essential that Anglo-American interests should

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be recognized, and the confidence of Anglo-American investors retained. A drastic change in the status of the area, such as would be implied by conceding Japan's demand, would start Shanghai definitely on the downgrade. For it is obvious that with all of her other commitments, and the heavy losses she has already suffered in China as a result of the present hostilities, the Japanese could not assume the financial burdens involved in the rehabilitation of Shanghai.

It is the obvious duty of the Council to cooperate to the utmost with the Japanese in maintaining internal order, and curbing the activities of any Chinese or others who abuse the hospitality of the Settlement to foment anti-Japanese agitation or outrages. But it is the equally obvious duty of the Japanese to recognize the facts of the situation, the extraordinary difficulties of administering a densely populated area under existing conditions, and the *international* character of the Settlement. If any changes are to be made in the status or administration of the area they must come as the result of international agreement, and not by the sudden imposition of Japanese demands upon a Council which is elected by and responsible to the whole body of foreign ratepayers.

Future Of S'hai Decided Abroad

Authorities Of S.M.C. Unable To Consider Nippon Demands

Decision on proposals for increased participation in the activities of the S.M.C. and Settlement Police made by the Japanese authorities yesterday will be reached in London and Washington, a high official of the Council intimated today. The interests of Great Britain and the United States in the International Settlement are as great as those of Japan and they are entitled to have a say in the matter, it was stated.

"The International Settlement has always been supported by these two powers, and the Council cannot act without their approval in the present case." The proposals will be carefully studied, but no decision is expected for some time.

Informal discussions regarding the request for more Japanese policemen with better pay, increased participation in the activities of Settlement administrative organs and a larger Japanese personnel in general were held this morning, but no meeting of the Council was called.

Asked if Chinese members of the Council would be consulted during discussions, the high official stated that they would probably be asked to voice their opinion. How much weight their opinion will carry is problematical.

No Political Activity

Although no reports have yet been received of protests filed with the French authorities by the Nipponese in connection with anti-Japanese terrorist activity in the Concession, the French Council has already taken action, announcing that residents indulging in political activity detrimental to the peace of French-administered areas will be expelled. This action is similar to that taken Saturday by the Settlement authorities.

Four Russians, suspected political agitators, were allegedly ordered to leave the Concession already yesterday, but two were finally permitted to remain. The two expelled men were connected with a strongly anti-Soviet weekly so it can hardly be said that they were expelled on Japanese protest.

Matters For High Authority

PERHAPS it is just as well from the standpoint of the Shanghai Municipal Council that the Japanese have gone to an extreme in such demands as for increase of the number of Japanese members in the police, a boost in their status and authority, and placement of Japanese in controlling positions in all important organs of the Council.

For this gives not only reason but necessity for the Council to take no position whatever, but automatically to pass the whole question over to the Consular Body. Such issues certainly are not to be settled locally. And frankly we think it is about time the home capitals had Shanghai affairs called forcibly to their attention.

November 24, 1937.

Morning Translation.

Journal de Shanghai :-

THE JAPANESE DEMANDS TO THE FOREIGN COUNCILS
MR. C.S. FRANKLIN'S STATEMENT.

In the course of a statement yesterday, Mr. C.S. Franklin, Chairman of the Shanghai Municipal Council, stated that the desires expressed by the Japanese authorities regarding the suppression of the Chinese Government's influence in the Shanghai area appeared to be very reasonable. He added that the Settlement authorities had not waited for the Japanese demands before taking the measures required.

Mr. Franklin continued :- "It was not necessary to give new orders to the Shanghai Municipal Police in order to satisfy the Japanese demands. As for the suppression of Chinese censorship, it had ceased voluntarily since last Friday. The Chinese telegraph and post offices are still in the Settlement and the Japanese have not made any attempt to establish their own censorship.

"Before even the Japanese had occupied the Shanghai area, the Shanghai Municipal Police had been dealing with anti-Japanese organizations and I believe it will not be difficult to suppress any kind of propaganda for the Chinese desire as much as the Shanghai Municipal Council to avoid incidents and I think the Japanese, on their part, will be reasonable".

Mr. Franklin went on to say that the Japanese had not submitted a "black list" of Chinese personages whom they regarded as undesirables and no obstruction had been made to the departure of any Chinese personage from the Settlement. He denied that the Japanese had demanded the handing over of certain Chinese personages. The Council had no right to expel residents from the Settlement; the Council could only request them to leave and if they refused they ran the risk of losing the right of protection from the Police. He added that the Japanese authorities and the Council are working together harmoniously. He denied the report that the number of Japanese members on the Shanghai Municipal Council will be increased.

November 13, 1937.

Morning Translation.

File No. 4-

The Japanese Demands to The S.M.C.

At 10.30 a.m. yesterday, an extraordinary meeting of the Councillors of the Shanghai Municipal Council was held to discuss the various demands conveyed to Mr. Franklin, the Chairman of the S.M.C., by Mr. Okamoto, the Japanese Consul-General in Shanghai. The meeting lasted until 12.30 p.m.

Enquiries made by our reporter reveal that the Japanese are demanding:-

(1) The suppression of anti-Japanese activities, including

(a) The dissolution of the Kuomintang Party and other organizations.

(b) The suppression of the dissemination of handbills, slogans, booklets, pictorials, the staging of plays and other kinds of propaganda.

(c) The suppression of the dissemination of propaganda by radio stations.

(d) The suppression of all kinds of activities by Chinese spies.

(2) Strict supervision of the activities of the Kuomintang and Government officials; the expulsion of the officials of the Central Government and of the district governments; the extradition of all those officers and men who had withdrawn into the Foreign Settlements from both Chapei and Nantao.

(3) The abolition of censorship by the Chinese authorities of postal and telegraphic matters.

(4) The suppression of censorship of Chinese newspapers by the Chinese Government.

(5) The suppression of Chinese radio communications.

Min Iao :-

Foreign Councils Consider Demands

A special meeting of the S.M.C. was held yesterday morning to discuss the Japanese demands. There were present all the foreign Councillors, as well as the five Chinese Councillors, Messrs. Singloh and, Yulin Hui, William Jackson, Yu Ya Ching and Eugene Y. . Fiang, and Mr. S. Fessenden, Secretary-General of the Council. The Chinese Councillors retired from the meeting at 11.30 p.m. and the foreign Councillors continued the proceedings.

A meeting of the French Municipal Council was also held yesterday afternoon to discuss the Japanese demands.

It is learned that as a result of these meetings, both the authorities of the International Settlement and the French Concession decided that great care should be exercised in dealing with the matter.

Eastern Times :-

A meeting of the S. M. C. was held yesterday to discuss the demands submitted by the Japanese authorities.

In the course of an interview with foreign journalists yesterday, the spokesman of the S.M.C. stated that it has been decided to instruct the various subordinate organs of the Council to do their utmost to comply with the five Japanese demands.

November 22, 1937.

Morning Translation.

Lih Pao and Central China Daily News:

JAPANESE ARMY'S DEMANDS TO S.M.C. AND FRENCH CONSUL

Acting on behalf of General Iwane Matsui, Major-General Harada on November 20 called on Mr. Franklin, Chairman of the Shanghai Municipal Council, demanding that the authorities of the International Settlement should suppress the activities of the Chinese Communist Party and anti-Japanese elements within their jurisdiction. He also informed Mr. Franklin that the Japanese Army reserved the right to adopt emergency measures to deal with these matters.

It is learned that Mr. Okamoto, the Japanese Consul-General in Shanghai, has also called upon Mr. Franklin, the Chairman of the S.M.C., demanding:-

(1) The suppression of all anti-Japanese and incompatible activities and speeches within the International Settlement; the dissolution of all organs of the Chinese Kuomintang Party; the suppression and confiscation of all handbills, slogans, pictorials, booklets, the performance of plays and broadcasting by radio stations and the prohibition of imposing punishment on traitors and spies.

(2) The expulsion or detention of the leading officials of the Chinese Kuomintang and Government and officers connected with the four Chinese Government banks, namely, the Central Bank of China, the Bank of China, the Bank of Communications and the Farmers' Bank of China; the extradition of all the officers and men who had withdrawn into the International Settlement from Chapei and Nantao.

(3) The taking over of the various subsidiary organs under the control of the Chinese Government in Shanghai, such as the Chinese Post Office, the Customs, etc.

It is also learned that Major-General Harada, the Japanese Military Attache, and Mr. Okamoto, the Japanese Consul-General in Shanghai, have made similar requests to M. Baudez, the French Consul-General, on the night of November 20. -----Domei.

Sin Shun Pao, the Chinese edition of the "Shanghai Echo," a local Japanese daily, published the following article on November 21 :-

Major-General Harada Calls on S.M.C. : Suppression of Anti-Japanese Movement Demanded

At 6 p.m. November 20, the Japanese Army in Shanghai issued the following statement :-

At 4 p.m. November 20, Major-General K. Harada, Japanese Military Attache, in company with Mr. S. Okamoto, Japanese Consul-General, called on Mr. S. Fessenden, Secretary-General of the S.M.C., and other high officials of the Council and on behalf of General I. Matsui, Commander-in-Chief of the Japanese Expeditionary Forces in the Shanghai Area, submitted the following verbal requests :-

1
November 22, 1937.

Morning Translation.

- (1) The Communistic and anti-Japanese movements of the Chinese, which are using the International Settlement and the French Concession as bases, are seriously impairing the Japanese military operations and cannot be tolerated by the Japanese Army. The Settlement authorities should suppress these Chinese activities thoroughly and quickly as far as it is possible.
- (2) Should the steps taken by the Settlement authorities be considered unsatisfactory, the Japanese Army will at once consider independent measures to be taken to deal with the subject.

Mr. Okamoto, the Japanese Consul-General, submitted concrete measures for discussion with the Settlement authorities.

Reliable information secured by this paper shows that the Chinese Wireless Administration and the Chinese Telegraph Administration are still functioning in the Foreign Settlements and this is impairing the Japanese military operations. If the Settlement authorities continue this policy of connivance and do not adopt steps satisfactory to the Japanese military authorities, armed force may be used to deal properly with the matter. Cables between Shanghai and Nagasaki have been cut by anti-Japanese elements directed by anti-Japanese organizations in the Foreign Settlements. Unless such activities be suppressed, the Japanese Army will have to adopt suitable and effective measures.

According to observers, similar suitable steps will also be adopted to deal with banking organizations, anti-Japanese newspapers and books.

Armed Japanese troops have never passed through the Foreign Settlements and the Japanese Army have, so far, experienced much inconvenience in their operations. Nantao has been occupied and peace has been fully restored. The Japanese Army will not harm residents in the Foreign Settlements and it is only reasonable that armed Japanese soldiers should be allowed to pass through the Settlements. This passage of armed Japanese troops through the Settlements may take place in the near future.

SHANGHAI MUNICIPAL POLICE.

CONFIDENTIAL

S.2 Special Branch ~~XXXXX~~

REPORT

Date... November 13. 19 37.

Subject... Uneasiness amongst well-to-do Chinese in Settlement.

Made by... and Forwarded by... Supt. Tan Shao Liang

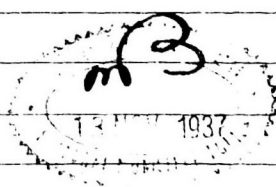
On account of the publication in the "Ta Mei Wan Pao" evening paper dated 12-11-37 of an article under the attractive heading "Commander of British Army in Shanghai receives order from Home Government to fire on Japanese soldiers if they encroach on the International Settlement", many enquiries have been received from well-to-do Chinese as to the truth of this report and a general uneasiness appears to be prevailing especially amongst the well-to-do classes. Some bankers who are natives of Tientsin and Peiping are planning to return to the North whilst some express the opinion that the French Concession is safer than the Settlement.

Rumours have also been prevalent during the past few days that the Japanese Authorities have approached the Municipal Council for the arrest of 600 Chinese who are considered to be anti-Japanese. These include Tu Yueh Sung, Wong Shiao Lai and Yu Ya Ching.

Tan Shao Liang
Superintendent.

D. C. (Special Branch)

CP



Rec'd 12-11-37
pass

Status Of Shanghai

To the Editor:

I am surprised beyond measure that in your issue of November 13, 1937, you would publish such an article as that of Mr. H. G. W. Woodhead, under the heading of "Japanese Military Occupation, Status of Shanghai."

The Japanese army has no more rightful authority in the Foreign and French Settlements of Shanghai than it has in London, Washington, and Paris.

The Shanghai Foreign Settlements are under foreign, not Chinese government. And if the Japanese army undertakes to interfere with government in this area, in any way, their army should be met at the boundaries by the combined military and naval resources of the several foreign nations that have interests here. It is presumed that such forces are here for the purpose of protecting this Settlement — this foreign controlled area, from interference from any source.

Japanese or otherwise. It is not presumed that these forces will fail in their duty. If they should do so, then the civilian manhood and womanhood of Shanghai should meet such invaders at the borders. We should certainly not be less willing to defend our homes and our lives than the Chinese are bravely doing. The civilian men should man the guns, and the women of Shanghai will also do their part.

However, it is not assumed that the soldiers in uniform of the nations in interest in controlling this area, will do otherwise than honor the ensigns they gear and the uniforms they wear.

The slogan of every self-respecting man and woman should be, No Japanese army or authority shall be tolerated within the boundaries of the Foreign Settlements of Shanghai.

I am sorry that Mr. Woodhead could phrase such an article. And I am sorry indeed that an American editor would publish it.

Very truly,

CHAS. W. RANKIN.
Shanghai, Nov. 14, 1937.

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Disagreement

To the Editor:

Many British residents of Shanghai find themselves disagreeing with the attitude taken by your Mr. H. G. Woodhead, C.B.E. in the article on the new status of Shanghai published in last Saturday's issue of your paper. I venture here to state my own objections, shared, as I know, by a number of my compatriots.

Mr. Woodhead says that the community of Shanghai must assume that the non-declaration of war will not materially effect the exercise of a victor's rights by the Japanese military and naval command. But is it necessary to assume anything of the kind unless we are prepared to stand aside and let it happen? The Japanese have seen fit to invade China without the formality of declaring war. It is true that they have succeeded in ousting the Chinese troops who defended Shanghai proper so valiantly but the conquest, if it is to be so regarded, does not extend, as yet, to the foreign areas of Shanghai. In these areas they have a joint interest in the administration as one of general partners and, in the absence of a declaration of war, their rights surely must be circumscribed by the terms of that partnership.

Mr. Woodhead goes on to say: "Whatever views may be taken by individuals of the origin and conduct of local hostilities it is necessary to recognize that the Japanese as a consequence of a victorious campaign are entitled to gather the fruits thereof." I dispute that it is necessary to recognize anything of the kind any more than it is necessary to recognize that a burglar who is enterprising enough to break into a house is entitled to get away with whatever he can continue to lay his hands upon. I agree that the Chinese would be wise to abstain from any violently anti-Japanese outbursts which would give the Japanese a pretext for applying the screw to the Shanghai Municipal Council but I think they also are entitled to expect that the Council will extend them adequate protection from the sort of terrorism which attended, for instance, the Japanese occupation of Manchuria and North China. It seems to me that, in common with the Chinese, residents of the Settlement are entitled to look to the Council to restrain the Japanese from carrying out in the Settlement any provocative action likely to inflame Chinese popular feeling and thus cause regrettable incidents possibly leading to bloodshed.

The tenor of General Matsui's statement when interviewed by the foreign correspondents last Thursday leaves little doubt of his intention to make himself master of the foreign controlled section of Shanghai if permitted. The establishment of a Japanese hegemony over the International Settlement and French Concession would threaten the international status of those areas just as surely, it seems to me, as if they had been overrun by the Chinese army—a contingency which some ill-informed foreigners appear needlessly to have contemplated. Hence one is able to agree with Mr. Woodhead as to the desirability of emphasizing that international interests are involved. Our local consular and municipal officials are thus faced with a problem rather similar to that which confronts the statesmen now conferring in Brussels. Will they have the courage and foresight to make a stand against Japanese bluff and bluster?

Yours truly,

REARGUARD

Shanghai, Nov. 15, 1937.

Shanghai's New Position

AN OBVIOUSLY unprecedented situation has arisen in Shanghai since the Chinese military evacuation, and the Japanese military occupation, of the areas about the International Settlement and the French Concession. Never before in the curious history of this unique city has such a state of affairs arisen and it is quite impossible at the present time to lay down any comprehensive statement as to the full ultimate position. We do not think that at this moment anyone anywhere has a final conclusion as to how the foreign areas will or should be affected, although quite naturally there has been a tremendous discussion including the dogmatic expression of some extreme views.

We hope and believe that no extreme view will prevail. Compromise, the essence of so many settlements in the age-old Orient, has its points. To adhere rigidly to an extreme position on any aspect of Shanghai has always been to invite defeat because the very essence of this international enterprise obviously requires the ultimate conciliation of many often conflicting attitudes and interests.

We would call special attention to the Readers' Forum letter today headed "Disagreement" and signed "Rearguard" in which a reasoned and moderate dissent is expressed toward the view that we must submit to an exercise of a "victor's rights." Certainly authority cannot abrogate its moral obligations, whatever the pressure. But we are inclined to think that there has been some undue alarm.

Despite some hasty and ill-advised efforts to draw conclusions from the implications of Japan's military ringing-about of the foreign areas, and particularly from General Iwane Matsui's interview with foreign correspondents last week, we see no reason to expect that the Japanese will act drastically or intolerantly with reference to affairs of the two foreign areas. So far as we can learn and so far as we can see on a basis of events thus far, Japan's policy in this respect is not entirely solidified but it has no tendency toward the extreme. The best way to head off any tendency toward extremity on the part of the Japanese will obviously be to deal realistically with the situation, to avoid anything provocative, and to refrain from advocating an attitude which cannot be supported by the responsible authorities.

What some still find it difficult to see is that for anyone to proclaim that Shanghai's foreign areas should or must remain entirely unaffected by the changed military position is as "die-hard" a view—in reverse application, of course—as was a view of other years that Shanghai's foreign areas should remain entirely unaffected by Chinese sovereignty.

The early view was a die-hardism against the Chinese. On point after point it had to yield; foreign Shanghai areas could not, did not, remain watertight against penetrative influence of those who held sovereignty without. The present opposite yet logically corresponding die-hardism is for the Chinese. It is ironical yet a fact that it too must yield, and probably in some respects it must yield because of the success of the pro-Chinese elements in years past in breaking down the older doctrine that foreign authorities in the foreign areas must exclusively administer affairs in those areas.

We do not wish to be too sweeping. It is by no means certain that the Japanese wish to press the point that their military conquest, without formally declared war, must of necessity make them in every ways the inheritors of all duties and privileges of the Chinese administrators of Chinese soil. It is by no means certain that much a point could be supported either in law or in logic.

But certainly it is within bounds to say that Shanghai's foreign areas now lie behind the Japanese lines, in the course of a warfare no less bitter and real because formally undeclared, and that this poses very real problems not to be dodged. It is only a facing of facts to say that the administrators of Shanghai's foreign areas *already* have recognized the existence of a changed state of affairs in some measure, and that they have taken steps designed to prevent the creation of friction because of this change. Obviously they have not surrendered their authority. They are trying to prevent the raising of embarrassing issues and they needed the collaboration of Chinese to that end.

Such collaboration will be accorded gladly, we believe, if it can be fully realized both that it is necessary and that it does not imply surrender of the special status of the foreign areas on any vital issue. Even General Matsui's much-debated statement, subject to various interpretations in certain of its aspects, was clear in recognizing that both Settlement or Concession might be places of refuge. He was clear that he did not purpose to try to take authority into his hands. It should be obvious to anyone that Chinese cannot expect to use such refuge, within an area behind the Japanese lines, for war activities. Those essentials surely give something to go on with in our thoughts and actions.

There has been a tendency on the part of some Chinese, and more particularly on the part of some belligerently inclined sympathizers with the Chinese, to assert a view that Settlement and Concession should afford a refuge for Chinese to do anything that they pleased, whatever the military position just over the border. This is to close one's eyes to realities. The Shanghai Municipal Council has general police powers; nothing more. It has within its administrative borders certain defense units sent here by foreign Powers; it cannot call upon them for more than such help as they may elect to give within the frame of their instructions from home Governments, which frankly have no great interest in anything save preservation of the lives of their own nationals.

Certainly if anything really outrageous is demanded by the Japanese there will be no tame knuckling-under. Our belief is that no demands of the sort is contemplated. We feel that the Japanese would find it a needless complication of their present difficulties to embark on any such quarrel; we believe they want to achieve whatever they desire within the patience, common-sense and an avoidance of "going off half-cocked" may show that the situation admits of solutions which all parties will agree to be fair under existing circumstances.

Speaking for ourselves alone, we may point out that we have been sympathetic with the Chinese cause throughout and that we have dealt with the present hostilities on principle, which has on occasion caused us to be critical of both sides. Our sympathy with the Chinese will continue and we have no idea of altering our adherence to principle. Rather than abandon this effort to follow the light as we see it, and to accept dictation from either the Japanese or the Chinese, we would reluctantly but decisively shut up shop. Yet we would never expect our own or any other authorities to support us in employing extra-territorial privilege—either as regards foreign ownership, foreign nationality of personnel, or publication in a Shanghai foreign area—for the fomenting or trouble.

In a rough sort of way we conceive this to indicate a line of thought, a course of conduct, of universal application during the present tense times as in the past. The truly international aspects of both Settlement and Concession must be borne in mind now more than ever before. We trust the responsible authorities to maintain essential rights, and they in turn have a right to trust us all not to place them in embarrassingly difficult or impossible positions. We firmly believe that there will be no surrender and no demand for surrender on the fundamentals. To keep our eyes fixed upon those fundamentals, and to avoid unnecessary conflict over relative superficialities, is the task for us all.

British Dementi

Reuter is authorized to state that the report circulated here to the effect that British military and naval authorities in Shanghai have been empowered "to open fire immediately if Japan makes any move to attack the International Settlement south of the Soochow Creek" is entirely without foundation.

The Japanese Foreign Office yesterday issued a categorical denial by Sir Robert Craigie, British Ambassador in Tokyo, in connection with the report circulated by a foreign news agency to the effect that British forces in Shanghai had been authorized to fire on Japanese forces if they attempted to come south of Soochow Creek, says Reuter in a message from Tokyo. The denial is similar to that issued by Reuter on the authority of the British Charge d'Affaires in Shanghai.

Agitators Not To Be Tolerated, Says Yomiuri

TOKYO, Nov. 12.—(Reuters).—The Shanghai correspondent of the Yomiuri Shimbun reports that the Japanese authorities "will demand that the authorities of the International Settlement and the French Concession rigidly control anti-Japanese agitators now taking refuge there."

"Failing this," the journal adds, "the Japanese authorities will possibly take action, as indicated in General Matsui's statement."

Japan Asks Control Of Agitation

TOKYO, Nov. 12. — The Shanghai correspondent of the "Yomiuri Shimbun" reports that the Japanese authorities "will demand that the authorities of the International Settlement and the French Concession rigidly control anti-Japanese agitators now taking refuge there.

"Failing this," the journal adds, "the Japanese authorities will possibly take action, as indicated in General Matsui's statement."—Reuter.

Secretary-General Says There Has Been No Real Friction With Japanese

Mr. Fessenden Believes Council Will Continue
To Throw Oil On Troubled Waters; All
Questions Handled With Tact

SETTLEMENT REMAINS UNCHANGED AS TO POLITICAL AND LEGAL STATUS

The belief that the Shanghai Municipal Council will adopt a policy of throwing oil on troubled waters in connection with the Japanese military occupation of areas adjacent to the Settlement was expressed here yesterday by Mr. Stirling Fessenden, Secretary-General, during the course of a statement made to a representative of "The Shanghai Times."

Mr. Fessenden was of the opinion that the Japanese would not attempt to interfere with the administrative powers of the Shanghai Municipal Council, adding, however, that it must be realized that the Japanese are in military occupation of this area.

"The Council is doing everything within its power to maintain an attitude of neutrality," Mr. Fessenden said. "We are also doing our best to keep radical organizations in order, especially in connection with the posting of anti-Japanese handbills," he continued.

Asked whether or not the Council would try to assume powers of press censorship, Mr. Fessenden stated that it had not done so as yet, but might be forced to take action. It would be more advisable, he remarked, if local papers could exhibit a greater degree of self-control.

International Question

Mr. Fessenden was asked what effect a declaration of war would have on the Settlement, and his reply to this was that the question would become an international rather than a purely local subject. Under the present circumstances, he said, there was no reason why the Japanese should seek to interfere with the administration.

In reply to another inquiry, Mr. Fessenden stated that the question of the Customs, which was mentioned by General Matsui in his statement on the question of the International Settlement on Thursday, did not directly concern the Shanghai Municipal Council.

Passing on to another point, Mr. Fessenden said that with the influx of refugees and soldiers into the Settlement, the question of internal defence had assumed new proportions.

"The Council has always succeeded in keeping order in the past and there is no reason why we should not be able to continue to do so now," he said.

Very Little Friction

Mr. Fessenden did not seem to share General Matsui's impression to the effect that the Settlement had not been sufficiently co-operative.

"There has been very little friction between ourselves and the Japanese," he said. "Whenever a question arises we approach it with a broad-minded attitude and attempt to deal with it as tactfully as possible."

Mr. Fessenden stated that he saw no reason why the Council should not assume control north of the Creek again as soon as the situation cleared up.

"Politically and legally the Settlement is the same as it has always been," he concluded.

Two Other Reports

Other developments here yesterday with regard to the internal situation were seen with the release of two interesting reports.

A special committee to study various measures for the rehabilitation of the areas which until recently were under fire, met on Thursday at noon in order to discuss the possible restoration of water, electric, telephone and gas service, the Shanghai "United News" reported yesterday morning.

Thirteen members of the committee, the paper added, spent Thursday afternoon inspecting the North Szechuen, Darroch and Scott Roads areas.

Another report was to the effect that regardless of the change in the war situation, all Chinese industrial, commercial and other organizations should carry on with their work unless and until they are countermanded by their supervisory organs by order of the Shanghai Chamber of Commerce.

Japanese Military Occupation

THE STATUS OF SHANGHAI

by H.G.W. WOODHEAD, C.B.E.

(Editor, *Oriental Affairs*)

THE POSITION and status of the Foreign Areas in Shanghai have been radically changed by the events of the past few days. The whole of the Greater Shanghai Municipality and the greater part of the Settlement North of the Soochow Creek are in Japanese military occupation. There is a complete cordon of Japanese Military and Naval Forces around Shanghai, on both sides of the river. And it is as well that the Foreign as well as the Chinese residents within this cordon should realize, and adjust themselves to the logical implications. The absence of a formal declaration of war may appear to render some of the rights of a victorious belligerent less precise, but the communities of Shanghai have to face realities, not theories, and they must assume that the non-declaration of war will not materially affect the exercise of a victor's rights by the Japanese Military and naval Commands.

IN AN INTERVIEW with certain Foreign Press Agencies granted by General Matsui on Thursday morning he made it very clear that it was his intention to exercise some at least of the rights of a victorious General in occupation of a great City. His accusation that the Settlement and French Concession authorities had not observed strict neutrality was not convincing, and would appear to suggest not only that they should have taken sides in an outbreak of hostilities for which they were in no way responsible, but that they should have exerted powers which are not legally theirs. Their main concern throughout the fighting around Shanghai has been the maintenance of internal order, regulation of food supplies, the care of refugees, the safeguarding of public health, and the functioning of public utilities, and of essential municipal services. Political issues have had to be handled by the Foreign Consular officials. The peace of the Foreign Areas could not have been maintained amidst a Chinese population of two or three millions, worked up to a great pitch of excitement by the conflict, if either the French or the Settlement authorities had taken measures which could be construed as partial to the Japanese.

BUT the position has now changed, with the military occupation of the Shanghai District, and the very fact that the two Councils are neutral bodies necessitates their refraining from any action which can be regarded as obstructive or hostile to the Japanese Command. It must be emphasized that the Foreign Garrisons and Naval Forces in Shanghai are not here for the purpose of fighting the Chinese or the Japanese, but solely for the protection of the lives and properties of their nationals. They would have resisted and been entitled to resist any incursion into the Foreign Areas of unorganized military units. But they are not entitled to oppose by force any acts taken by the Japanese Command which do not imperil their

nationality. If the Japanese Military authorities should take measures which affect the interests of the foreign communities, or threaten the status of the Foreign Areas, it will be a matter for representations from the Consular Body in Shanghai, or the Foreign Envoys in Tokyo. It is desirable to emphasize that international interests are involved, and that these issues must be handled internationally, and not as Anglo-Japanese, or American-Japanese problems. Efforts have already been made in some quarters to represent the British authorities, military and civil, and the British community, as actively hostile to the Japanese occupation. If successful, these efforts can only result in acute and quite unnecessary friction. Whatever views may be taken by individuals of the origin and conduct of local hostilities it is necessary to recognize that the Japanese as a consequence of a victorious campaign are entitled to gather the fruits thereof. Diplomatic issues must be settled elsewhere by the competent officials of the Governments concerned.

IT FOLLOWS then that the Chinese population in the Foreign Areas must be regarded as residing within a region occupied by a victorious military force, and must be prepared to submit to many of the restrictions that would be imposed if a Japanese Garrison actually patrolled the streets of the Settlement and the Concession. General Matsui has intimated that for the moment he has no intention of taking advantage of the present state of affairs, but he left no doubt that he expects certain restrictions to be imposed upon the Chinese population. The latter is in much the same position as were the population of Brussels during the German occupation, and if they are to continue to enjoy the hospitality of and the security afforded by the Foreign Areas they must abstain from all actions which would normally be forbidden by an Army of Occupation. Anti-Japanese publications, placards, or gatherings will have to be rigidly suppressed. Any actions which can be interpreted as overtly supporting the Chinese Government against the Army of Occupation, as for example, Liberty Bond campaigns, must be forbidden. And all exercise of their functions by Central Government or Chinese Municipal Officials that are unpalatable to the Japanese must remain in abeyance. These are unpleasant truths, but the sooner that they are recognized and acted upon, the better it will be

for Shanghai, and its supercharged Chinese population.

IT MAY BE HOPED, on the other hand, that recognition of the realities of the situation by the Councils of the Foreign Areas will avoid many of the more unpleasant features of a military occupation. In particular it is most desirable that the farming and industrial Chinese population should be encouraged to return to their occupations as soon as possible. In view of the large area beyond Shanghai now in Japanese military occupation it is to be hoped that military restrictions North of the Creek, and in the extra-Settlement Western District will be removed with the least possible delay.

Finally, it may be suggested that the Chinese Government will be best furthering its own interests, and those of law-abiding Chinese citizens by repudiating, and as far as its authority carries, in this district, prohibiting, participation in hostilities by un-uniformed men. The employment of these gun-men cannot conceivably affect the military issue, but most certainly will expose many innocent Chinese to reprisals, and may well lead to far more rigorous action than at present appears to be contemplated by the Japanese Army of Occupation.

CP

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Dec 1937

SHANGHAI MUNICIPAL POLICE.

File No.

Special branch, *STANDARD*,

REPORT

Date, Nov. 13, 1937.

Subject, Article entitled "The Flight of the International Settlement" appearing in "China Times."

Made by *xx* and *xx* Forwarded by C.D.I. Ross.

With reference to the attached translation of an article entitled "The Flight of the International Settlement" from the noon issue of the "China Times" of 10.11.37 and the remarks of D.C. (Special branch) thereon, Mr. Fu Tse-yang (傅 达 昂), a reporter of the paper in question, was interviewed at the Police headquarters at 3 p.m. 11.11.37 and upon being questioned by the P.A. to D.C. (Special branch) as to the source of his information, declared that it was obtained from Mr. Fraser and Mr. Sun (孙) of the S.M.C. Publicity Department. He was then advised to refrain from publishing such reports, especially at the present time when fighting is going on between China and Japan.

C. D. I.

D. C. (Special branch).



November 10, 1937.

Afternoon Translation.

China Times (Noon Issue) :-

THE FLIGHT OF THE INTERNATIONAL SETTLEMENT

The withdrawal of the Chinese forces to their new defence lines has brought about a change in the local situation.

A reporter of this paper called at the Shanghai Municipal Council this morning and secured the following information in connection with the questions of police rights, the maintenance of peace and order and the food supplies in the International Settlement as well as a report to the effect that the Japanese authorities had demanded more seats on the Council:-

No Increase in the Number of Councillors

The Japanese forces have occupied a portion of the International Settlement ever since the outbreak of local hostilities. Under the pretext that the Japanese position inside the Settlement has been greatly enhanced, the Japanese authorities have suggested to the S.M.C. that the number of Japanese Councillors be increased.

This morning the S.M.C. flatly denied having been approached by the Japanese authorities with such a suggestion. According to the Council, there will be no increase or reduction in the present number of Councillors.

S.M.C. Will Tolerate No Interference With Its Police Rights and Administration

No change in the administration or in the police rights of the S.M.C. will take place despite the change in the local war situation. Though the Japanese forces have occupied various districts outside Settlement limits since the outbreak of the local hostilities, the administrative policy and the police rights inside the Settlement are still being maintained. The S.M.C. will not tolerate any interference by the Japanese authorities with its administration or police rights in the International Settlement.

Restoration of Police Rights on the Outlying Roads

Owing to the fact that the extra-Settlement roads are located within the zone of hostilities, the S.M.C. has temporarily given up its police rights in these districts. Following the withdrawal of the Chinese forces to their new positions, the danger to which the outlying roads were exposed has diminished. In view of this situation, the S.M.C. is at present making strenuous efforts to recover its police rights in these districts.

Protection of Newspapers and the Restoration of Traffic

All newspapers in the Settlement may still carry on so long as they do nothing contrary to peace and order and they do not violate the Police Regulations. It is to be hoped that during this period, the postal, telegraphic and navigation enterprises will function as usual in the Settlement, while transportation facilities will be restored in the Settlement.

S. M. C. Official Denies Changes In City Status

Administration Of City To Remain In Hands Of Elected Councillors

The sudden change in the military situation around Shanghai will not prompt the Shanghai Municipal Council to change its original aim of making the International Settlement a place of refuge for Chinese and foreign residents, a high Council official assured THE CHINA PRESS yesterday.

Answering the reporter's question, the S.M.C. official stated that Chinese newspapers and public organizations will continue to have their customary status as long as their activities are compatible with law and good order.

The administration of the Settlement will remain in the hands of the elected Councillors and no interference from the Japanese, despite their military occupation of all areas outside the Settlement and the French Concession, is expected, it was pointed out.

The Council official emphatically denied a Japanese report which stated that "in view of the increased Japanese influence in the section north of the Soochow Creek, the Shanghai Municipal Council is contemplating an increase in the number of Japanese officials on the Council."

No such increase was ever discussed since the outbreak of the local hostilities and the report that the Council is planning to add more Japanese to its staff is news to its administrative officials, it was revealed.

Regarding the return of Settlement police to the outside road area to resume their patrol duties, it was stated that the problem is being watched closely. Settlement police, however, are not likely to be sent back until the military situation in the western area has become liquidated.

November 10, 1937.

Afternoon Translation.

Re-Opening of Hongkew District Under Consideration

Owing to its geographical position, that part of the International Settlement to the north of the Soochow Creek and the east of Thibet Road has been closed and curfew enforced at 6 p.m. every day. This state of affairs has since become a matter for serious concern to residents in the northern district. The S.M.C. is at present considering the re-opening of the Hongkew and Yangtszepoo districts to the public.

Protection of Newspapers and the Restoration of Traffic

All newspapers in the Settlement may still carry on so long as they do nothing contrary to peace and order and they do not violate the Police Regulations. It is to be hoped that during this period, the postal, telegraphic and navigation enterprises will function as usual in the Settlement, while transportation facilities will be restored in the Settlement.

No Lack of Food Supplies

At the commencement of the local hostilities, the S.M.C. formed a Food Control Committee to regulate food supplies. The Council has now ordered a large quantity of Saigon rice from Saigon for transportation to Shanghai. The authorities will take action against any rice shop in the Settlement that raises the price of rice. There should be no fear of a shortage of food supplies in the Settlement.

Public Sanitation & the Accommodation of Refugees

The population of the Settlement has increased since the outbreak of the hostilities and the question of public sanitation is a very important one. The Public Health Department is paying special attention to sanitation among refugees. The number of refugees in the Settlement is daily increasing and the Council is doing its best to give them accommodation. In the meantime, it is consulting with various factories over the question of seeking employment for these refugees.

National Herald and other local newspapers :-

FOOD SUPPLIES FOR SHANGHAI

In accordance with orders from the Bureau of Social Affairs, the various local rice and cereal dealers' associations are doing their best to stabilize the price of rice.

Although the stocks of rice in Shanghai have decreased, there is still a large quantity of wheat and flour. In the meantime, the Settlement authorities are buying Saigon rice and other food from abroad, so no anxiety need be felt over food supplies in Shanghai.

The price of the best quality rice yesterday was \$14 and good quality rice \$13.60. It is said that the authorities are making enquiries about certain rice shops which are reported to have sold rice at a higher price.

November 10, 1937.

VISIT TO FRONT TO COMFORT OFFICERS AND MEN

In accordance with a decision reached at the extraordinary meeting of the ratepayers' representatives to the Japanese Residents' Corporation held on November 1, 1937, some 27 representatives have been selected to visit the front to comfort Japanese officers and men. They will be divided among three parties and the first party will visit the Japanese navy while the second and third parties will visit the front. The date of their departure will be fixed after arrangements have been made with the military and naval authorities.

Shanghai Godo (Editorial) :-

A NEW SYSTEM OF MUNICIPAL ADMINISTRATION

The International Settlement has now been relieved from secret plots of the Chinese Government to disturb the Settlement and to conquer the area with their army should the Japanese army be defeated. Now that the Chinese army has been driven far away from the Settlement, the peace of the Settlement will no longer be disturbed by gun fire.

The Settlement authorities should take this chance to establish a new system of administration. Among the important phases that should be immediately considered are :-

- (1) The complete suppression of the anti-Japanese movement.
- (2) The complete suppression of any political movement within the Settlement.
- (3) All Chinese governmental organs should immediately be driven out of the Settlement area.

In order to maintain the neutrality of the Settlement these measures should be strictly enforced, otherwise Japan may have to resort to force to avoid a recurrence of unfortunate conflicts like the present. The Land Regulations should also be amended and revised.

SHANGHAI CONDITIONS

The statement of Major K. M. Bourne, one of the Deputy Commissioners of the Shanghai Municipal Police, to the effect that in his opinion the internal situation here should give no cause for any real worry will be reassuring to the many people who had been feeling a little disturbed about conditions. It is not so much the danger of anti-Japanese propaganda that has given most people reason for serious thought as the overcrowded and congested state of the streets and the fear that there must be increasing difficulty in such a vast number of unemployed persons, as there are in Shanghai now, being able to supply themselves with food, with the possible consequence that there might be looting or food riots. It is apparent, however, that the Police have the situation well in hand. The present situation, of course, is far from comfortable. It is almost impossible to keep the streets clean when so many thousands of persons use them all day long as places in which to linger about, either because they have nothing to do or nowhere else to go. A great number of beggars, many of them in the late stages of disease, and encased in filth, are to be seen begging about the city. It is greatly to be hoped that some arrangements will be possible to get these people away at an early date for their presence is a grave menace to public health as well as most objectionable in every way. A curious feature of the beggar problem is that the ranks of the beggars demanding charity in the streets has been swelled by the addition of a number of monks who even ask alms from foreigners—a very unusual sight in China. It appears that these men have come from small towns in the war zones where the monasteries and temples have gone up in flames. Although at present it cannot be said that the streets are pleasant places in which to walk owing to dirt, noise and overcrowding, it must be admitted that they are interesting to a close observer. A number of types of people who are not usually seen on the streets of Shanghai at all may be observed. They include quite a number of farmers who have brought produce into the city but have been prevented from returning to their farms by the tide of war—in some cases we fear that destruction must have overtaken their dwellings and storehouses and that their eventual return to the country will be a sad experience. The number of pedlars of petty wares has greatly increased and plenty of boys and girls—and men and women, too—will be seen dodging about among the crowds trying to sell bootlaces and odds and ends of haberdashery. Outside places where foreigners congregate one will see youngsters with boxes of socks and neckties trying to sell their wares.

It is devoutly to be hoped that apprehensions as to a possible food shortage will be proved unnecessary but the week-end rise in price of vegetables and fresh meat has naturally caused some alarm. There does not seem to be any basis for believing that our city will run short of rice and flour. The fact that only

small quantities are being sold by the grain shops is a token of sound policy as it tends to prevent hoarding on the part of the richer class who may suddenly become nervous. What is to be the immediate future situation in Shanghai depends largely, it seems to us, upon how soon the areas occupied by the Japanese military, who now encircle the city, can be opened up. This matter lies entirely in the hands of the Japanese, we suppose, and we shall have to await their decision which will no doubt be based mainly upon military exigencies. It is of interest to note that Mr. Stirling Fessenden, Secretary-General of the Shanghai Municipal Council, told a representative of "The Shanghai Times" last Friday that he believed the Council would adopt a policy of throwing oil on troubled waters in connection with the Japanese military occupation of areas adjacent to the Settlement. Very largely we must depend

upon Chinese backing in this matter. The Chinese within the International Settlement must, we fear, be prepared to put upon themselves at least some of the restraints they would need to do if they were living in the occupied areas, if they desire to help to alleviate the local situation.

Handwritten notes:
 I was very up at 9.15 pm
 then people on Saturday a whole
 various motions 'due to anxiety'
 depressed & running a nervous
 residents "I am not to be
 born of my ability to do what
 affects my name to be possible.
 No more done but I shall not
 then have time to make names.
 15 NOV 1937

Translation of an article from the German newspaper
"Der Angriff", November 11, 1937.
Chief Editor - F. Muldermann.
Address - 10 Canton Road.

JAPANESE PRESS - 1937

Two days ago, the commanders of the forces of the
foreign troops stationed in Shanghai paid their first visit to
the Japanese high commander - General Matsui.

The visit lasted over an hour. What transpired during
this visit is beyond our knowledge, however, one cannot err if
one considers the following points of view which, according to
our own utterances, have been made to us by high-Japanese
officials.

As we pointed out in yesterday's issue, the question
of the administration of the International Settlement will
play a very considerable role in the near future.

It is true that we, Germans, are interested in this
question only conditionally as we do not participate in the
administration. The question interests us only as residents
and rate payers.

According to certain statements, it would appear
that, as far as the Japanese are concerned, disappointment
prevails over the attitude displayed by the powers represented
here in Shanghai. Co-operation was expected but it was not
given. This circumstance will not lead to Japanese complications
for the moment, but possibly it will in the future.

It is pointed out that communists and plain clothes men
are still residing in the Settlement and this is considered as
undesirable and their elimination is declared as very necessary.

From our point of view the phrase elimination is
devoid of meaning if the Japanese fail to indicate in what
manner they consider this elimination is to be brought about.
The desire seems to be more poignant than the change.

de. s.b.
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The Japanese report that a situation could arise which would necessitate active intervention on their part and this assertion seems a lot.

As far as we have been given to understand, the Japanese consider that the situation will be decided if the desires regarding the re-organization of the Police Department and the number of seats on the Council are disregarded.

In addition to these matters, there looms the demand for the creation of, possibly, a new port zone.

Translation of an article from the German local news paper
"OSZBERICHTUNG SHANGHAI", dated November 11, 1937 :

Chief Editor - F. Huldemann.
Address - 10 Canton Road.

WHAT THE JAPANESE SAY CONCERN THE SETTLEMENT
IN SHANGHAI

A letter addressed by the Japanese authorities to both the Shanghai Municipal Council of the International Settlement and to the Municipal Council of the French Concession has been submitted to these institutions requesting them to suppress all anti-Japanese posters, otherwise it cannot be expected that conditions in Shanghai could hope to become normal speedily again.

No definition has been given by the Japanese in these letters as to what can be considered as anti-Japanese, nor is it explained what in general has to be suppressed.

This may appear to be a small matter, but when one considers the political significance and consequence of such a demand and its future ramifications, then it cannot be considered as unimportant.

Any suppositions which might rise in this respect can be confirmed only by reading the article that appeared in yesterday's local Japanese newspaper "The Shanghai United News" which states that Shanghai now breathes freely, a state of affairs that has been accomplished after a siege lasting three months.

No mention is made about the economic perplexities, but the Chinese, the newspaper states, are now prevented from annexing the Settlement. The paper adds that the Settlement Administration should derive the benefit and consequently ought to endeavour to establish the complete neutralization of the Settlement.

The suppression of all anti-Japanese propaganda is an absolute necessity and it must form the basis for future peace and order of the Settlement for both foreigners and Chinese alike.

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Other problems will have to be solved as they arise in the future. They are unavoidable.

Further, the Japanese paper says, should the Municipal Council Authorities fail to recognize the actual situation, then the Japanese will be forced to adopt stringent measures in order to prevent further incidents and to assure the complete neutrality of the Settlement thereby establishing a lasting peace in the East, which, should the Chinese attempt to violate, would necessitate the Japanese adopting repressive measures against them.

In other words, the present administrative system of the Settlement possesses many defects. The Land Regulations will not bear public criticism. The Japanese paper requests the Shanghai Municipal Council to adopt a fair attitude in all matters and satisfy all elements represented in the Administration by abolishing the monopoly of the Police Administration and the political rights executed by a single country.

The Council has confirmed receipt of this letter. The measures proposed have already been introduced three or four weeks ago, but it has to be admitted that a complete cessation of posting posters cannot be expected by reason of the present existing refugee problem.

Further, no political demands have as yet been made in the sense mentioned by the Japanese newspaper as it is impossible to comply with them and their solution can be reached only by means of public elections (ratepayers). Matters would be different if it were possible for the Council and the Japanese to reach an agreement direct.

It seems to be perfectly clear to the Council Administration that the problems which will confront them during the next few weeks will prove to be more of a

political nature than military, as far as they pertain to matters of local status.

The question of releasing the Yangtszepoo District will clearly play an important role in this matter. The Council declares it has been negotiating with the Japanese Authorities continuously on this subject but without any results.

The interests of the Settlement are defended by the foreign powers and for this reason it is therefore a matter for them to decide as they can exert for greater pressure on the Japanese in rendering the Yangtszepoo area accessible.

The Council maintains the stand that such negotiations should not take place here in Shanghai but in another place.

We have given the above statements of both parties without comment and it seems to us that the time is not opportune to discuss such problems openly. However, it appears necessary to us that one should know the problems in their real and imaginary aspect.

November 13, 1937.

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Morning Translation.

Lih Pao and other local newspapers (Washington telegram) :-

THE POSITION OF THE INTERNATIONAL SETTLEMENT
OF SHANGHAI

It is generally believed that should Japan invade or occupy the International Settlement in Shanghai, the U.S.A. will lodge a strong protest in conjunction with other Powers concerned.

The State Department of the U.S.A. is, for the time being, refraining from commenting on the statement made by General Matsui, Commander-in-Chief of the Japanese Forces in Shanghai, on November 10.

The following article, with heading, appeared in the Ta Mei Wan Pao of November 12 :-

"British Military Commander in Shanghai Authorized by
His Government to Open Fire on Japanese Forces
Should They Invade the International Settlement"

(London Telegram)

In the course of an interview with foreign newspaper reporters, General Matsui, Commander-in-Chief of the Japanese Forces in Shanghai, said: "Japan has become the master of Shanghai. She can now take any action towards the foreign settlement(s) should the necessity arise."

Upon receiving a report of the above, the British Government issued a communique stating that it has authorized the British military commander in Shanghai to open fire on the Japanese forces should they attempt to invade the International Settlement.

Lih Pao, Sin Wan Pao, Shun Pao and other local newspapers :-

Report Absolutely Unfounded

Reuter's Agency has been informed by responsible quarters that the report circulated in Shanghai that the local British military and naval forces have been authorized by their Government to open fire on Japanese forces in case the latter attack the International Settlement south of the Soochow Creek is absolutely unfounded.

The same report has also been denied by the British Ambassador to Japan.

Shun Pao (Comment) :-

The Question of the Foreign Settlements in Shanghai

The land communications between the Foreign Settlements of Shanghai and the interior have become disrupted following the strategic withdrawal of the Chinese forces from the vicinity of Shanghai. This has caused a general fear among the residents of the Settlements as regards their protection from the political point of view. This is why both the Political Training Department

November 13, 1937.

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Morning Translation.

of the Military Affairs Commission and Mayor O.K. Yui made lengthy statements yesterday outlining conditions in Shanghai. What they said has given great encouragement to local residents.

Although the region around the Foreign Settlements is at present under military occupation by the enemy, there still remain within the Settlements some of our Government organs, and moreover, the authorities of the Foreign Settlements are still strictly maintaining their rights. There is no question about our sovereign rights over the Foreign Settlements, but in case this should arise, then this question will affect the fate of the Foreign Settlements.

Might is never all-powerful; world peace based on justice has a strength that is invulnerable. Military power alone can never solve political questions especially in view of the fact that Shanghai is a place where international relations are closely identified. Though nothing is known of the outcome of the conference held recently at Brussels by the chief delegates to the Nine-Power Conference of Great Britain, the U.S.A. and France, yet one thing is certain, namely, the three big Powers will strictly adhere to their pledge to respect our sovereign rights in all circumstances, otherwise they will not be able to preserve their interests and influence in this country.

China Times (comment) :-

Administrative Rights of Special Districts Should not Be Allowed to Be Interfered with by Japanese

The Chinese troops recently withdrew from Shanghai for strategic reasons, and the area around the International Settlement and the French Concession has fallen into the hands of the enemy. The Foreign Settlements have thus become isolated.

The question as to whether or not Japan will interfere with the administrative rights of the Foreign Settlements has now arisen.

On November 10, the "China Press" published the following statement made by a high official of the S.M.C. :-

"The sudden change in the military situation around Shanghai will not prompt the S.M.C. to change its original aim of making the International Settlement a place of refuge for Chinese and foreign residents. Chinese newspapers and public organizations will continue to have their customary status as long as their activities are compatible with law and good order. The administration of the Settlement will remain in the hands of the elected Councillors and no interference from the Japanese, despite their military occupation of all areas outside the Settlement and the French Concession, is expected".

In our opinion, this statement is quite proper.

November 13, 1937.

Morning Translation.

More than 80% of the population in the two Special Districts are Chinese who had contributed towards the prosperity of the city and who furthermore pay a huge amount of taxes annually. Therefore it is the natural duty of the Special District authorities to accord them protection. As the authorities have always regarded all lawful activities of the Chinese residents in the Special Districts as proper, naturally they will continue to regard them in this light. This policy should not be changed although the areas around the Special Districts are now occupied by the Japanese forces.

The people of democratic nations enjoy the freedom of holding meetings, forming societies and issuing publications. The Governments of democratic nations always protect such movements so long as they do not endanger public safety. We do not think that the Special District authorities will ever do anything contrary to the opinion of the majority of the residents in Shanghai. The movement for the boycott of Japanese goods is spreading in many countries such as Great Britain, America and France, yet the British, American and French Governments have not interfered because it is an expression of the people's wish and is lawful.

Articles condemning the atrocious acts committed by Japan and expressing sympathy with China's war of resistance have appeared in foreign newspapers, while foreign Powers have also exhibited similar tendencies. The Chinese residents in the Special Districts are still Chinese citizens and their indignation is only natural. If we carry out anti-Japanese movements in such a way as not to disturb the peace and order of the Special Districts, we think that the Special District authorities should not interfere, but should rather render us assistance.

If the Special District authorities should permit unlawful interference by the Japanese forces and put a stop to a lawful movement conducted by residents, they will be acting in violation not only of the wishes of the residents but of those of the British, American and French Governments as well and this will affect the prosperity of the Special Districts.

We do not think that the highly intelligent authorities of the two Special Districts would ever adopt such measures.

Sin Shun Pao (Chinese edition of the Shanghai Godo, a Japanese newspaper) dated November 11 :-

FOREIGN MILITARY OFFICERS PLEASED AT UPRIGHT ATTITUDE
OF JAPANESE ARMY

After less than three months of fighting in Shanghai, the powerful Japanese Imperial Forces have succeeded in crushing the hundreds of thousands of Chinese troops and seized control of the entire city.

When Dazong fell into Japanese hands, the Commanders-in-Chief of the British, the American, the French and the Italian Forces in Shanghai requested an interview with General Iwane Matsui, Commander-in-Chief of the Japanese forces, to express their esteem and to offer their congratulations at the success of the Japanese forces. General Matsui, however, declined the congratulations as being premature.

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November 13, 1937.

Morning Translation.

Fighting bravely, the Japanese forces succeeded by November 9 in wiping out all the Chinese troops in Shanghai. The delighted General then notified the British, American, French and Italian military commanders and attaches that he could now receive them.

The historic interview took place at 11 a.m. November 10 in the Shih Yen (字 曉) Primary School, next to the Municipal Library, Civic Centre. Among those present were Vice-Admiral Sir Charles Little, Commander-in-Chief of the British China Fleet, and Major-General A.P.D. Telfer-Smollet, Commander of the British Defence Force in Shanghai.

Addressing General Matsui, Admiral Sir Little said: "I offer my congratulations at the great victory scored by the Japanese forces in Shanghai." He then went on to praise the bravery of the Japanese troops and to comfort the General.

Replying, General Matsui said: "I regret that the present incident has caused personal injury to your Ambassador and several other officials and civilians in China. The Japanese Army is at present engaged in chastening China. It will, however, give full protection to the interests of the foreign Powers."

All the foreign military officers, including Admiral Sir Little, expressed their pleasure at the upright attitude of the Japanese Army.

After a photograph of the gathering had been taken, the foreign officers proceeded to Daxing in motor cars to visit the battlefields.

The interview has a specially important significance because, while opinions based on an insufficient understanding of the situation were being freely circulated in certain parts of Europe and America, military officers of the above mentioned four countries, who have first-hand knowledge of the Sino-Japanese hostilities, regard the measures employed as being quite proper and even congratulated the Japanese Commander on his victory.

In the course of a conversation with Admiral Sir Little, General Matsui said: "The Japanese forces will in future utilize the Soochow Creek and the Whangpoo River to carry on operations and will determinedly push aside any force of a third Power that may attempt to obstruct the Japanese in this connection."

Admiral Sir Little, who understood his meaning very clearly, said: "In order to enable the Japanese forces to carry on hostilities smoothly, Great Britain is ready to give them her fullest co-operation."

In view of the fact that hostilities are still in progress at present, General Matsui's declaration is most appropriate. The British declaration of agreement with the Japanese military authorities is a natural reaction to the atrocious anti-Japanese policy of China. Thus the meeting of the two commanders and the formal exchange of views among the military officers of the various Powers have a special significance.

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November 11, 1937.

Police
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S. B. D.
Morning Translation.

Hwa Mei Wan Pao published the following comment on Nov. 10 :-

THE FUTURE OF THE INTERNATIONAL SETTLEMENT

The following report appeared in the "China Press" on November 10 in connection with the future safety of the International Settlement :-

"The sudden change in the military situation around Shanghai will not prompt the S.M.C. to change its original aim of making the International Settlement a place of refuge for Chinese and foreign residents, a high Council official assured our reporter yesterday.

"The S.M.C. official also stated that Chinese newspapers and public organizations will continue to have their customary status as long as their activities are compatible with law and good order. The administration of the Settlement will remain in the hands of the elected Councillors and no interference from the Japanese, despite their military occupation of all areas outside the Settlement and the French Concession, is expected. He flatly denied a Japanese report which stated that in view of the increased Japanese influence in the sections north of the Soochow Creek, the S.M.C. is contemplating an increase in the number of Japanese seats on the Council. He said that no such increase was ever discussed since the outbreak of the local hostilities and the report that the Council is planning to add more Japanese to its staff is news to its administrative officials.

"In conclusion, he stated that Settlement police will not likely be sent back to the outlying roads to resume their patrol duties before the military situation has become liquidated."

On behalf of the 2,000,000 residents in Shanghai, we like to pay our highest tribute to the responsible officials of the S.M.C. That we have been able to find shelter from the dangers of the hostilities and from being attacked by the aggressor is entirely due to the efforts of the S.M.C. which has maintained its neutrality and undertaken the protection of residents and the maintenance of peace and order of the Settlement.

We should properly appreciate the position of the S.M.C. Shanghai, as a treaty port, has always remained neutral, so far as history tells us, in all the civil wars in China or in any other hostilities affecting this country. Legally, the International Settlement is governed by a body constituted of nationals of various Powers; in Chinese eyes, it is a special Chinese district. The 2,000,000 Chinese residents in the International Settlement are under the control and protection of the S.M.C. not because the Chinese Government is unable to undertake this, but because Shanghai is a place wherein a large population of foreigners and Chinese reside and the relations between the Chinese and the foreigners in Shanghai have become more closely identified with time. In giving up its rights and obligations over this special area, the Chinese Government hopes that the S.M.C. will do its utmost to protect the rights of the Chinese people and the interests of the foreign residents in accordance with the original purpose of the Treaty governing the opening

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of the Five Treaty Ports without violation of the open door policy.

This being its mission, the S.M.C. has, on the one hand, devised every effective measure to ensure the safety of the International Settlement and, on the other, it has suppressed all activities that may prove a menace to the peace and order of the locality. Thus, in all the civil wars of the past, Chinese were not allowed to engage in any movements within the Settlement. Such action was adopted by the Council because it has no wish for the Settlement to be used as a "special base" for the carrying out of "special activities" to the menace of peace and order of the locality.

It is true that the city's prosperity has been due entirely to the Council's efforts, but it should not be overlooked that it was the Chinese who contributed the largest share towards this prosperity. For this reason, the relations between the Settlement and the Chinese people have been as close as the "body with the soul". We are therefore very grateful to the Council for its solicitude for the safety and the rights of the Chinese residents in the International Settlement.

Out of consideration for the interests of foreigners, the Chinese delegated the control of a portion of Shanghai to the S.M.C. Later the Settlement authorities handed the judicial rights to the Chinese Government. The Chinese Government has given an assurance that it will not interfere with the legal rights of foreigners, while the Settlement authorities gave an undertaking to protect Chinese residents in the Settlement.

The Sino-Japanese hostilities have now shifted to the western sector. Hongkew, which has been used by the Japanese as a base of operations, is now normal and there is no necessity for an increase in the number of Japanese employees of the Council. We are confident that the Council will examine all phases of the situation and do its best to protect the privileges of the Chinese residents and their safety.

Although fighting is going on between China and Japan, diplomatic relations between the two nations are being continued for no war has been declared. Even should war be declared, the Settlement authorities, as a neutral body, should give protection to the people residing in the district under their control. As no war has yet been declared, it will be the duty of the S.M.C. to prohibit all activities that are liable to endanger the life of Chinese residents or their rights.

It is only natural for Chinese residents in the Settlement to conduct patriotic movements. As the Japanese have given no indication of any desire to interfere with such patriotic movements, the S.M.C. is under no obligation to place restrictions on these movements so long as they are carried out in a lawful manner. The Chinese cannot forget their position as Chinese citizens in the same way that the S.M.C. cannot forget its position because of its neutrality. Neutrality does not mean that the authorities should arbitrarily comply with demands from any quarter; neutrality means the maintenance

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of its original position without interference or oppression whatever from outside sources. The S.M.C. may suppress those Chinese residents or bodies that constitute a menace to peace and order in the Settlement or even drive them away from the district, but the Council should take the same steps to deal with those foreigners undertaking similar activities.

Let us thank the S.M.C. for its good work. The Council has faithfully carried out its heavy responsibilities; it has not forgotten the share contributed by the Chinese towards the prosperity of the Settlement. Its neutrality in the present Sino-Japanese hostilities has created an everlastingly favourable impression.

SHANGHAI'S CURRENT PROBLEMS

Contrasting strangely with the clear serene autumn day, Shanghai yesterday was in the throes of puzzled thought regarding a whole range of problems which now confront us, following the defeat and retirement of the Chinese forces. With the exception of a mixed force of men now surrounded and holding out in the environs of Nantao there has been a complete withdrawal, and it can be a matter of but a short while before the Japanese military liquidate this last remaining vestige of the opposition in the Shanghai area against which they have waged war for the past three months. There is no practical purpose to be served by this staging of another "Lone Battalion" episode, and one can be pardoned for questioning the decision of certain military and police commanders who have ordered a stand "until the last bullet and the last drop of blood." Prodigality of man-power does not win a war and the sacrifice of many brave men, while it might have a certain moral value to others, is a proceeding against which humanitarian instincts protest. It would have been far better for these men to have made their retreat with the others, to have accompanied those who will eventually reorganize to fight where fighting might be of some military value. The Nantao "last stand" must not only end in the defeat of those who are staging it but it also endangers non-combatant areas which are so urgently needed for the housing of refugees. One does not seek to detract from the valour of the men concerned, but only to question the wisdom of those by whose orders another costly hazard has been created, entailing as it does the lives of men who have earned well of their fellow-countrymen.

But it is not on this point that puzzled thought is now mainly evoked. On all sides many important questions are being asked and giving rise to complex considerations. Certain it is that the former status of much of Shanghai must come under revision. It will possibly be countered that many matters must await the final outcome of the Sino-Japanese hostilities in general, but it has to be conceded that what Shanghai must have as soon as possible is a working settlement of some of the urgent questions of day-to-day administration so that we can get along with a minimum of chaos, dislocation and friction. This journal does not pretend to be able to give answer to a great many of the questions involved, but indication of some of them might serve a public purpose. It has been suggested that the Japanese will ask for greater representation on the Shanghai Municipal Council, that they will ask for the creation of a Japanese Concession in the northern district and that, in any event, they will insist upon the creation of a large and strictly controlled demilitarized zone to prevent any possible recurrence of the present tragedy. The City Government of Greater Shanghai becomes, in the circumstances obtaining to-day, virtually non est in its erstwhile form, and the problem of forming an administrative body later to function in Chinese areas

has to be faced. The setting up of a Peace Preservation Committee will have to be undertaken, and inasmuch as this will be an essential requirement it is to be hoped that any Chinese leaders who might see fit to co-operate in this matter will be spared the charge of being "puppets." Chinese of the type who will be wanted are doubtless now living in the Settlement or Concession, and to them protection will have to be given. Anti-Japanese propaganda within the foreign-controlled areas will have to die down, and the delicate matter of dealing with Chinese censorship over cables, radiograms and the Post Office will have to be faced. It is not to be expected that the Japanese will forego all such fruits of their military gains, and something will possibly be done regarding the functioning and local revenues of the Maritime Customs. We have heard the suggestion made that all such revenues—upon whatever scale they might be—might be credited to a special fund, at least *ad interim*, but here again clarification of the general situation must be awaited. Regarding the reopening of Chapei, Hongkew, Yangtzepoo, Nantao and the western district it is obvious that special precautions will have to be taken. It would be impossible to allow Chinese freely to re-

enter under present conditions, and the Japanese will doubtless ask for their own well-protected re-entry into Settlement areas south of the Soochow Creek so that they may resume their businesses. Political complexities as well as factual difficulties abound here to-day because of the extraordinary position in which the International Settlement now finds itself, and it is going to call for the greatest of patience, forbearance and statesmanship if these problems are to be resolved in other than acrimonious atmosphere.

It was a Chinese decision which led to Shanghai being made the venue of terribly destructive and cruel hostilities, but in the light of the Japanese victory here there must be an accommodation of thought to suit. Well over three-and-a-half million people—many of them destitute—are herded within narrow confines, there is the problem of adequate and cheap food supplies, there is the menace to health, the strict necessity for the maintenance of public law and good order. Surely, no other city has been called upon to face a situation quite comparable to that in which we are now living. Armed forces of several powers have kept inviolate a zone around which major warfare has been waged, both of the combatants being partners in the Settlement itself and one of them having the right to its own armed forces taking part in defence measures. China's sovereignty impinges here in a dozen different ways upon the powers of the local Administration, and now that Japanese forces have created a *de facto* situation of which Japan will ask note to be taken and for adjustments to suit there is need for a sane, co-operative, realistic view to be shown. Nothing need be feared, we think, by any Chinese living within the Settlement or Concession provided there is studious avoidance of words and deeds

which fail to take account of changed conditions. Foreign interests have the duty of waiting upon actualities and of trying to aid instead of merely criticizing. The Japanese authorities must show a mindfulness for the difficult position in which merchants and property owners of all nationalities are with regard to trading and property interests, and now that Shanghai has almost wholly passed through a saddening and destructive experience to which it ought never have been so unthinkingly subjected it behoves all parties and communities to evolve, in amicable manner, a working formula by which the process of recovery can be begun. In a trading way we are bound to stagnate, more or less, until normal communications with the hinterland are resumed, but in a domestic way we can co-operate to the end of saving ourselves avoidable friction and inconvenience. The predominance of Japanese arms has changed a great deal, and what we need is the ability and spirit of adjustment to that inescapable fact.
